SURVEYS OF CONSUMER

U 7475-1 U A
2/10/81

MONITORING ECONOMIC CHANGE PROGRAM

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

DECEMBER 1980

The December 1980 survey is the 125th in a longitudinal series of surveys of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior. This type of information is essential for forcasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions. One highlights recent changes in the quarterly observations for all families and for high income families. The second chart gives historical data using quarterly results.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

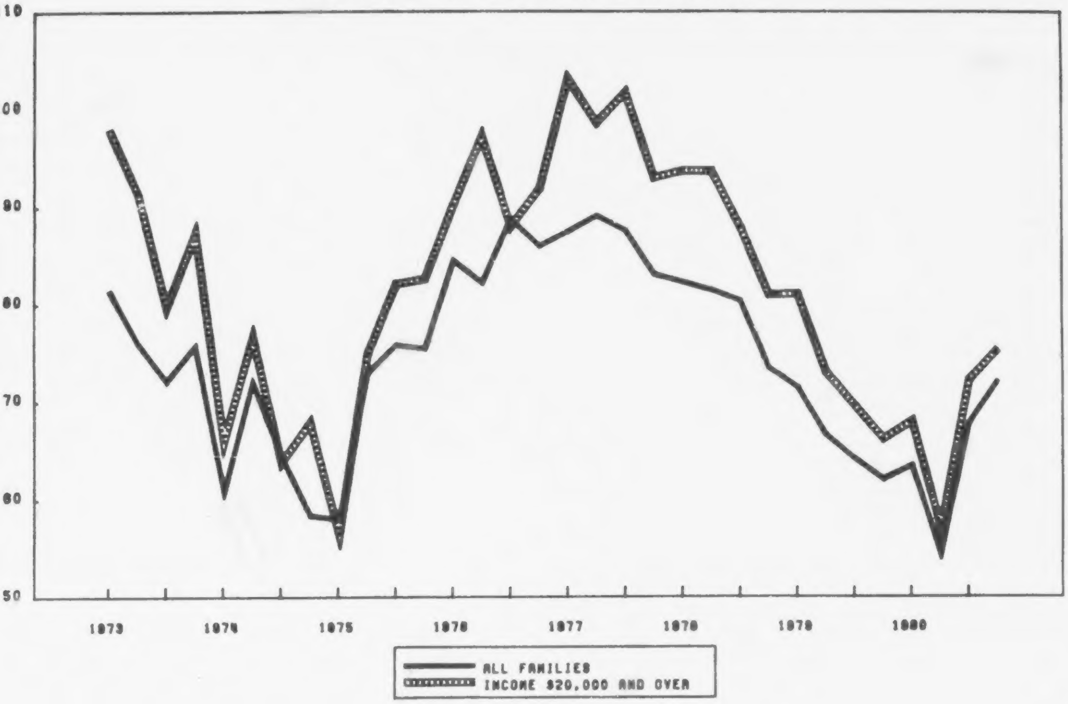

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

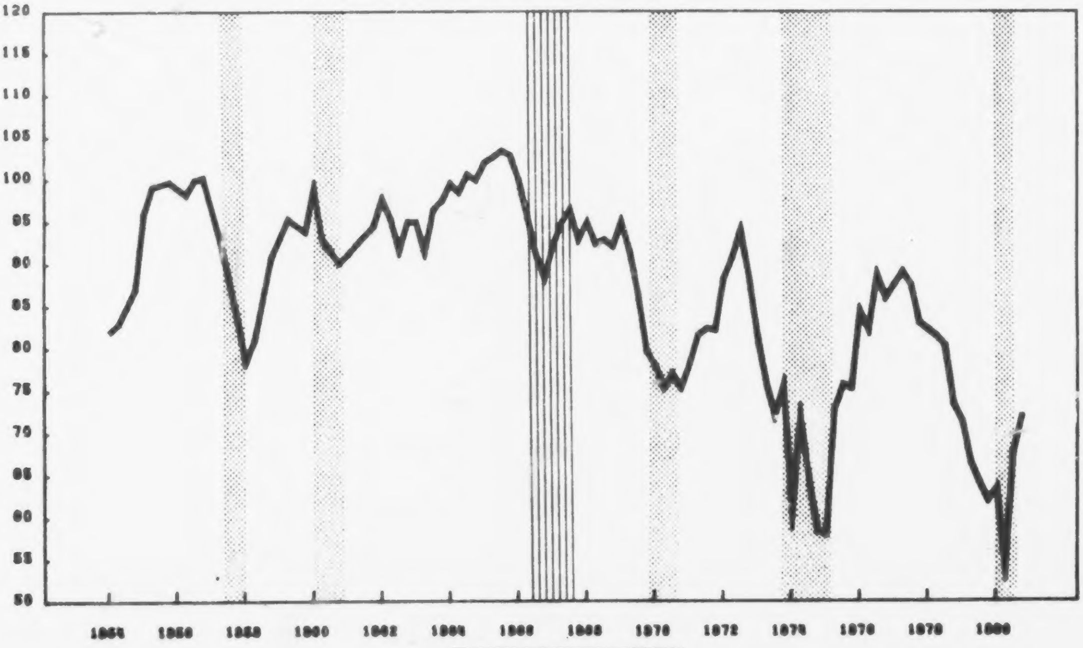

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
July-Sep. 1973	71.9	79.7	
Oct.-Dec. 1973	75.8	87.3	
Jan.-Mar. 1974	62.0	66.0	
Apr.-June 1974	72.1	76.6	
July-Sep. 1974	64.6	63.9	
Oct.-Dec. 1974	58.3	67.9	
Jan.-Mar. 1975	58.3	56.5	
Apr.-June 1975	72.8	74.9	
July-Sep. 1975	76.0	82.1	
Oct.-Dec. 1975	75.3	82.6	
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3 *
Oct.-Dec. 1980	72.1	75.3	78.3

* NOTE: JULY-SEP. 1980 FIGURES ARE REVISED FOR $20,000+ INCOME GROUPS ON ALL TABLES

CHART 2B

THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

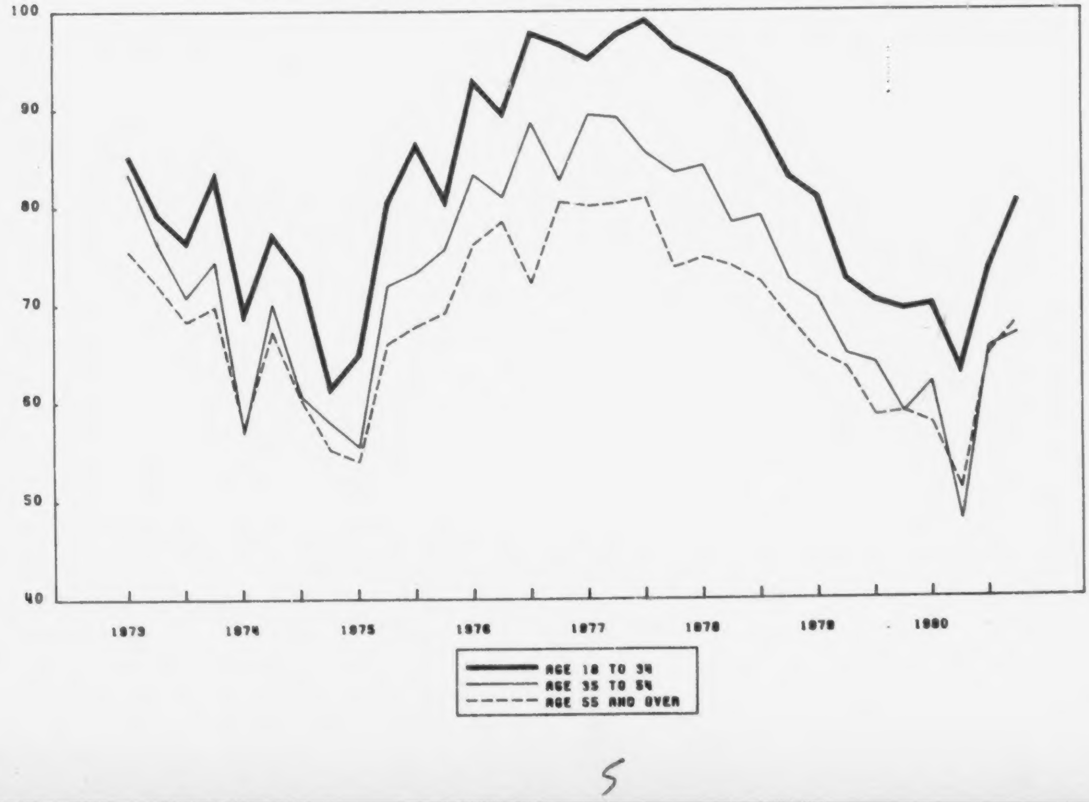

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
July-Sep. 1973	68.1	76.0	71.1	71.1	76.4	70.4	68.1
Oct.-Dec. 1973	70.9	79.7	77.1	74.0	83.1	74.3	68.3
Jan.-Mar. 1974	53.2	65.6	65.4	64.9	69.9	58.0	58.3
Apr.-June 1974	65.2	76.4	73.9	71.6	77.1	70.1	67.2
July-Sep. 1974	61.5	66.0	65.9	64.4	73.0	60.6	60.2
Oct.-Dec. 1974	54.0	61.5	57.8	59.4	66.0	58.5	55.2
Jan.-Mar. 1975	54.8	61.5	57.8	58.2	64.9	55.5	54.0
Apr.-June 1975	68.7	72.6	74.5	75.6	80.4	72.0	66.0
July-Sep. 1975	70.6	80.8	75.2	75.6	86.3	73.3	67.8
Oct.-Dec. 1975	68.2	81.3	74.9	74.7	80.6	75.6	69.3
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.8
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July-Sep. 1973	93	106	76	66	127	85.8	63.0
Oct.-Dec. 1973	106	116	78	69	124	90.0	66.6
Jan.-Mar. 1974	88	99	45	46	122	82.1	49.1
Apr.-June 1974	101	113	75	65	116	84.9	63.9
July-Sep. 1974	85	102	63	60	108	75.6	57.5
Oct.-Dec. 1974	84	98	45	53	96	70.6	50.4
Jan.-Mar. 1975	80	103	45	48	100	70.9	50.2
Apr.-June 1975	87	118	92	66	111	77.7	69.7
July-Sep. 1975	93	109	97	76	120	83.4	71.2
Oct.-Dec. 1975	97	119	94	64	116	83.4	70.0
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9

(1) : SEE TABLE 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

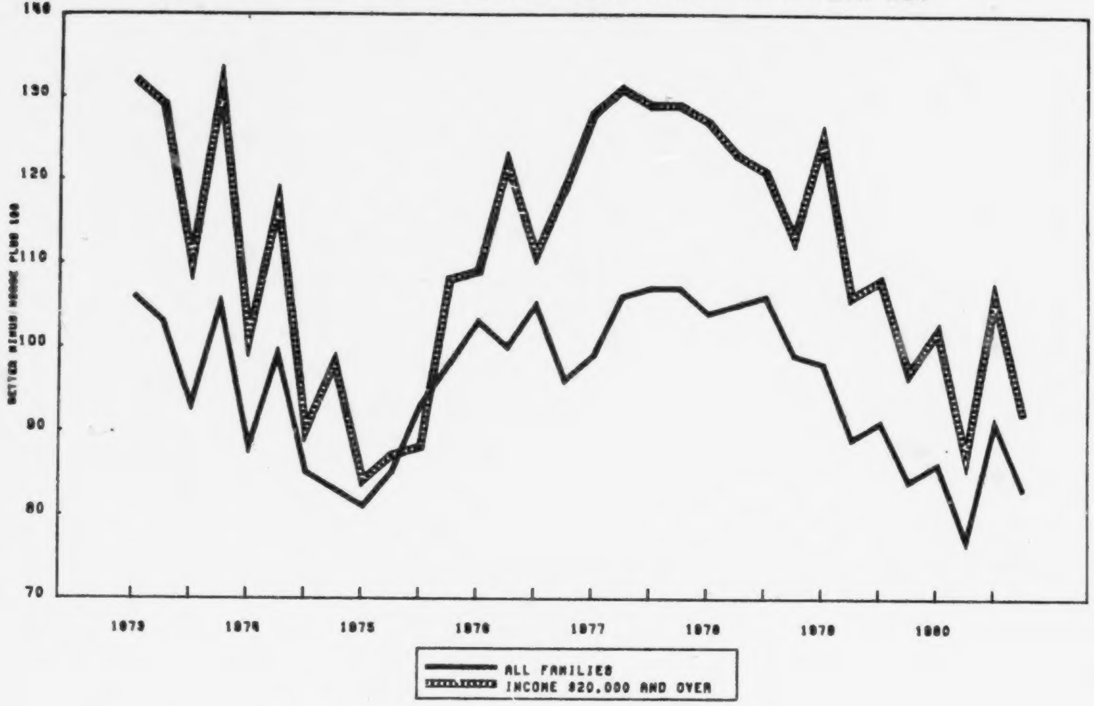

CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

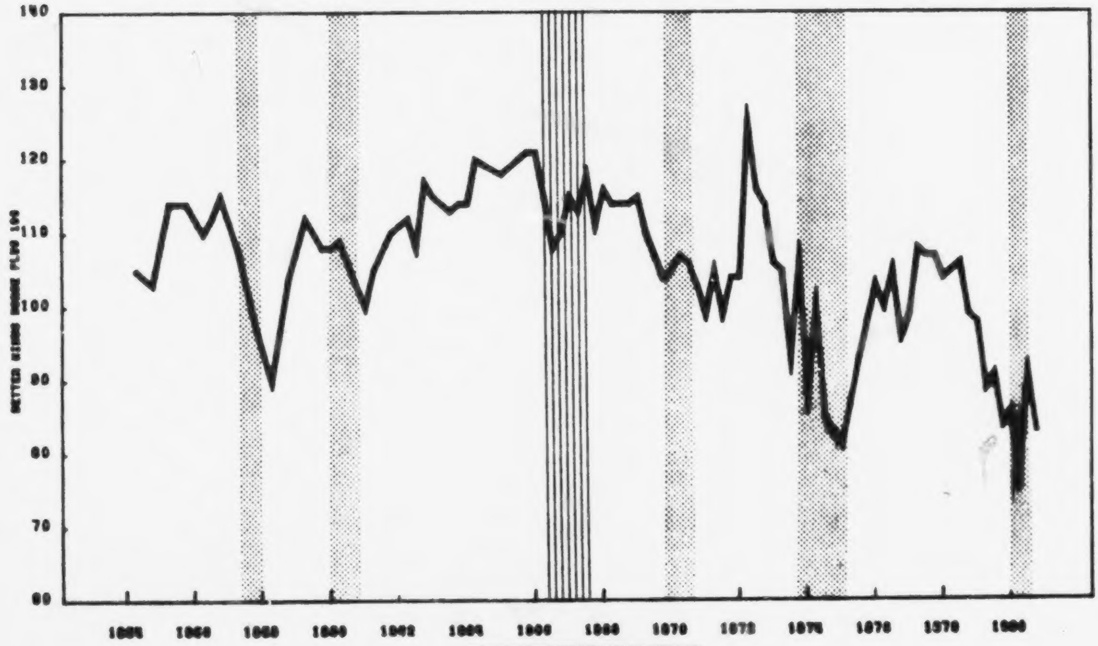

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

A. ALL FAMILIES

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
BETTER OFF	36%	34%	38%	37%	35%	35%	32%	31%	28%	29%	25%	31%	28%
SAME	34	34	29	30	29	28	25	28	26	27	26	27	27
WORSE OFF	29	31	32	32	35	37	42	40	45	44	48	40	44
DK,NA	1	1	1	1	1	*	1	1	1	*	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
BETTER OFF	49%	50%	47%	47%	43%	50%	40%	41%	36%	39%	31%	38%	34%
SAME	31	28	29	27	27	25	25	26	25	24	25	29	23
WORSE OFF	20	22	24	26	29	25	35	33	39	37	44	32	42
DK,NA	*	*	*	*	1	*	*	*	*	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	29%	32%	35%	33%	31%	31%	30%	29%	30%	25%	31%	28%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	15	14	12	13	13	11	12	14	14	16	16	15
Higher prices	27	23	29	32	32	35	45	44	46	44	42	37	42
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	52%	46%	46%	49%	44%	51%	45%	43%	41%	44%	35%	43%	37%
WORSE OFF THAN YEAR AGO:													
Income is lower	9	10	10	7	9	8	8	9	10	11	13	12	12
Higher prices	24	23	29	33	33	32	45	41	45	42	42	33	43

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

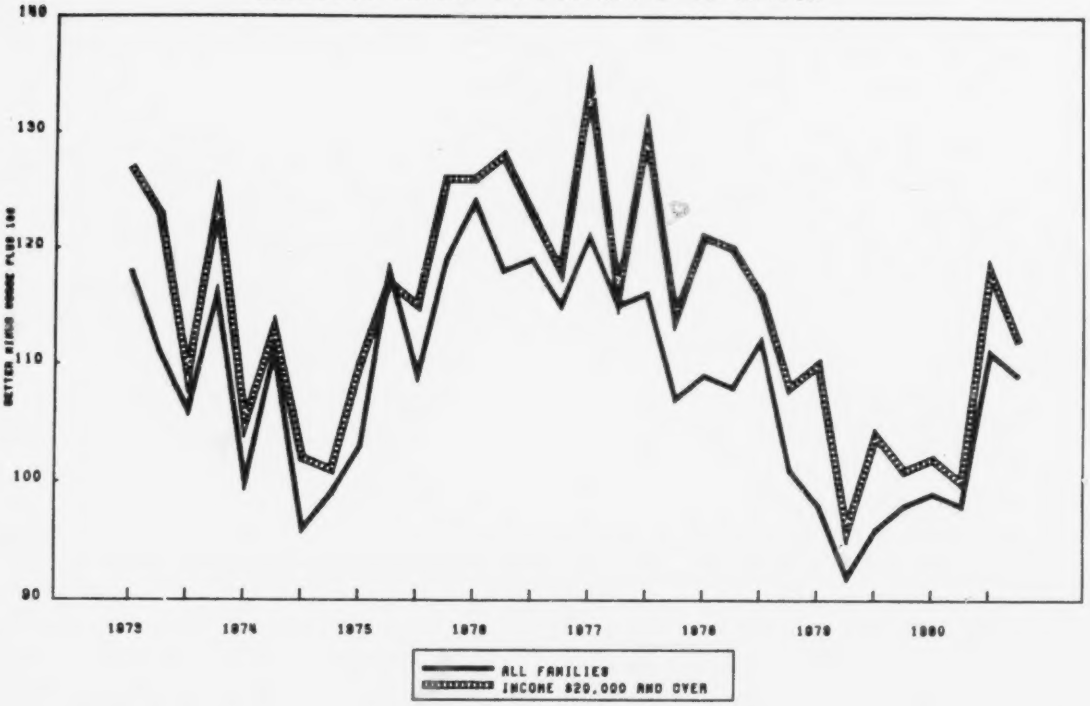

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

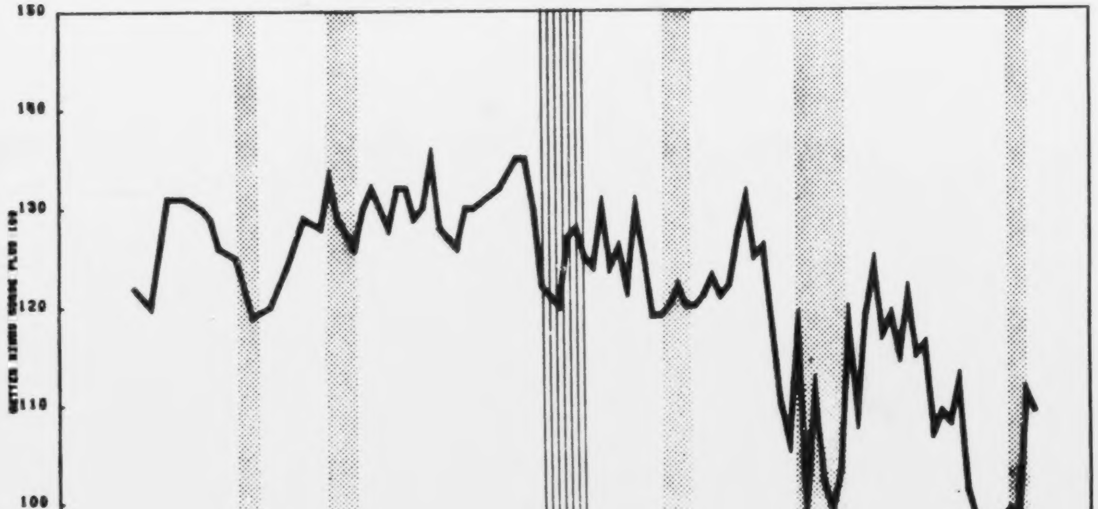

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
BETTER OFF	23%	27%	28%	28%	24%	23%	21%	23%	23%	24%	26%	30%	28%
SAME	55	50	49	51	46	48	47	48	48	46	43	47	46
WORSE OFF	16	18	20	17	23	25	29	26	26	25	28	19	20
DK,NA	6	5	3	4	7	4	3	3	3	5	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	28%	34%	37%	34%	30%	30%	25%	27%	26%	25%	26%	35%	32%
SAME	57	50	45	46	45	49	45	48	49	50	46	47	46
WORSE OFF	14	14	17	18	22	20	29	23	24	23	26	16	19
DK,NA	1	2	1	2	3	1	1	2	1	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

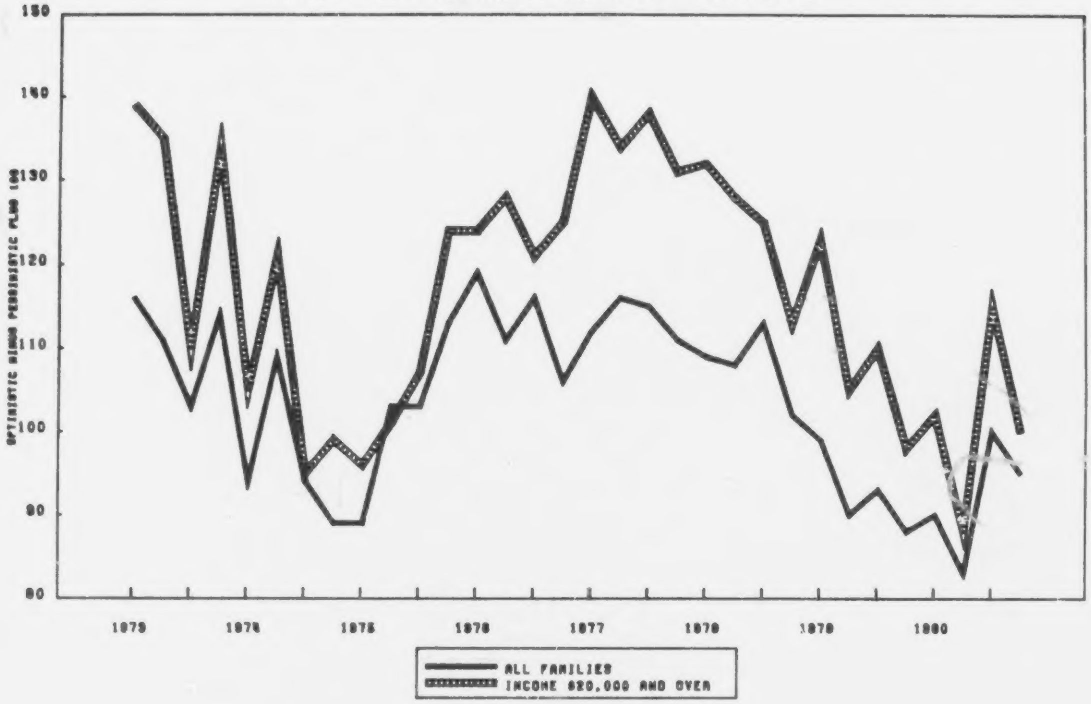

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

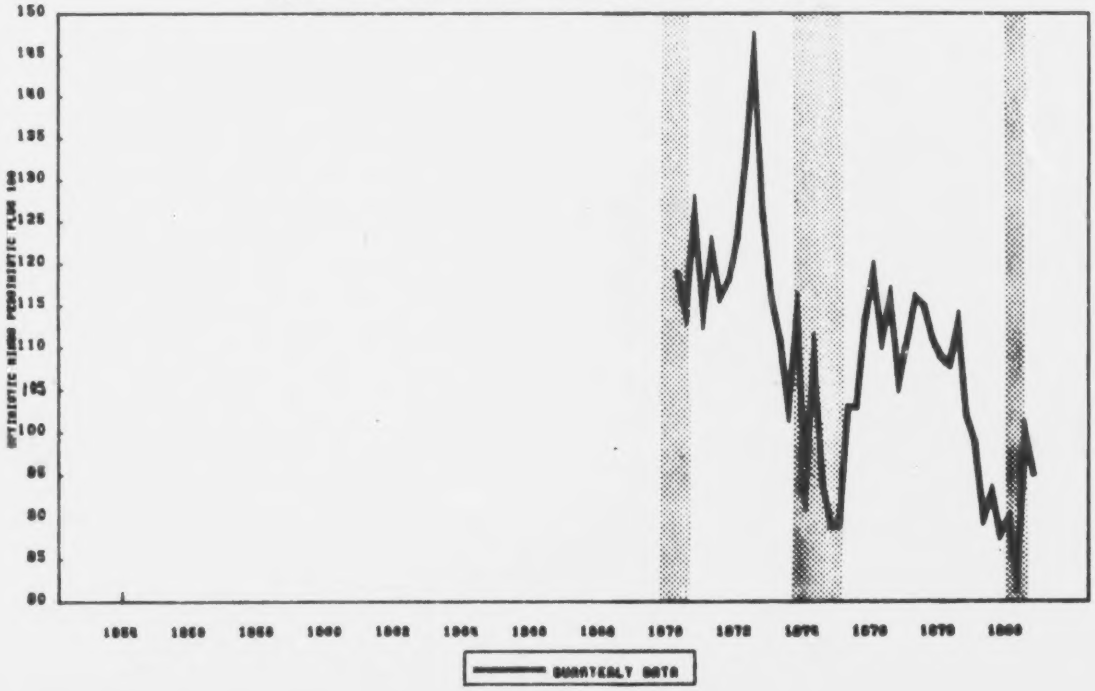

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	14%	14%	16%	16%	14%	14%	11%	12%	11%	12%	10%	13%	11%
Intermittant increase (b)	23	24	22	25	20	20	20	20	18	19	16	20	19
Remain unchanged (c)	24	19	18	18	17	17	15	16	15	14	13	15	14
Intermittant decline (d)	16	19	19	18	19	20	22	22	24	24	26	22	24
Continuous decline (e)	10	10	11	10	13	15	19	16	18	16	17	10	12
Mixed change (f)	7	9	11	8	10	9	9	11	11	11	15	15	14
DK,NA	6	5	3	5	7	5	4	3	3	4	3	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	21%	24%	23%	20%	22%	16%	16%	13%	15%	12%	16%	15%
Intermittant increase (b)	29	31	27	27	24	27	24	26	21	21	17	25	21
Remain unchanged (c)	24	17	16	16	14	15	13	15	15	14	13	16	10
Intermittant decline (d)	10	13	16	13	19	15	19	18	23	22	27	19	25
Continuous decline (e)	9	7	8	12	11	11	16	13	14	14	14	7	11
Mixed change (f)	6	9	8	8	8	8	11	10	12	12	15	15	14
DK,NA	1	2	1	1	4	2	1	2	2	2	2	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	7%	5%	8%	5%	5%	6%	5%	5%	5%	6%	5%	6%	7%
5%	8	7	9	10	9	10	7	7	8	8	7	9	8
6-9%	10	9	13	11	10	14	15	17	14	14	13	14	12
10-24%	15	13	16	18	14	16	18	19	19	20	24	20	23
25% or more	6	5	8	8	7	7	8	6	6	9	7	5	7
DK how much up	9	12	9	10	11	9	8	8	8	7	8	10	9
EXPECT SAME	34	33	25	26	31	25	26	27	28	24	23	21	22
EXPECT DOWN	7	11	7	9	9	10	9	8	8	10	11	13	9
DK,NA	4	5	5	3	4	3	4	3	4	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
EXPECT INCREASE:													
1-4%	7%	8%	7%	5%	5%	7%	6%	4%	5%	6%	4%	6%	6%
5%	12	10	11	14	10	12	8	9	9	8	10	9	9
6-9%	17	14	16	17	17	22	22	18	22	20	20	19	18
10-24%	25	25	29	27	18	27	23	29	28	26	29	28	29
25% or more	6	6	5	5	9	5	8	8	8	8	6	5	7
DK how much up	5	10	9	5	12	7	6	9	5	6	4	6	7
EXPECT SAME	20	16	16	19	21	13	18	15	17	17	15	12	13
EXPECT DOWN	6	9	7	8	7	6	8	7	5	8	12	13	10
DK,NA	2	2	*	*	1	1	1	1	1	1	*	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP DURING THE LAST YEAR

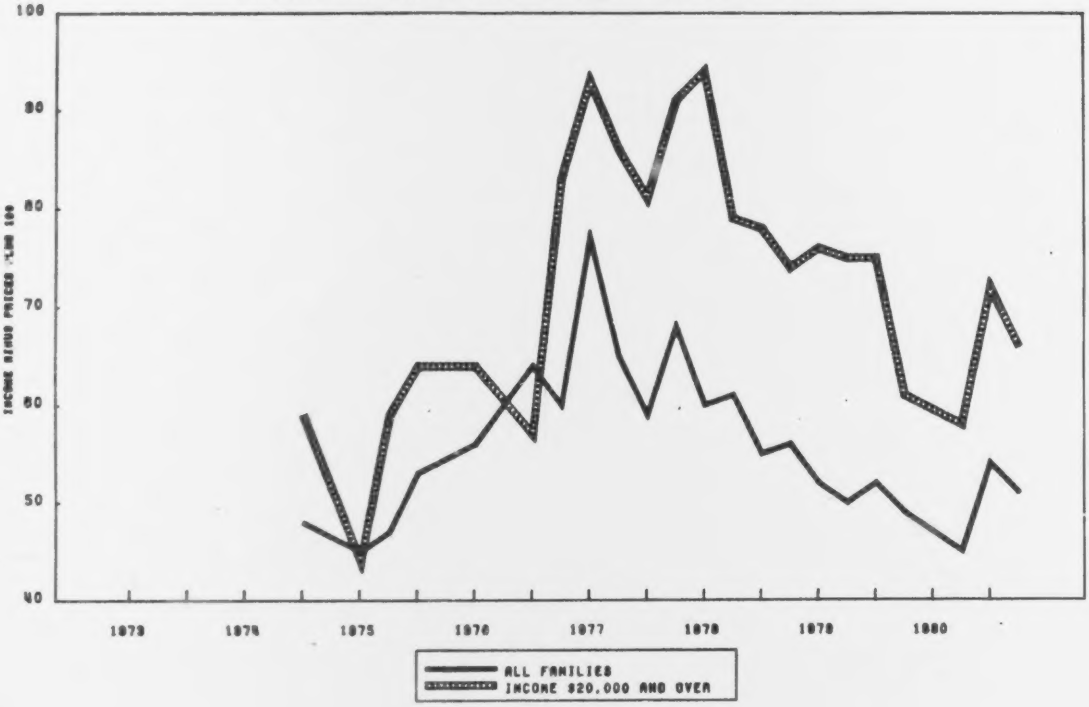

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
INCOME UP MORE	16%	13%	15%	13%	11%	11%	11%	12%	12%	13%	10%	12%	12%
INCOME UP SAME	34	31	27	29	31	27	25	25	23	27	23	28	26
PRICES UP MORE	48	53	54	56	55	59	61	61	63	59	65	59	60
DK,NA	2	3	4	2	3	3	3	2	2	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	28%	27%	22%	21%	18%	22%	22%	22%	16%	17%	16%	20%	16%
INCOME UP SAME	37	40	34	36	37	30	30	31	28	34	27	31	32
PRICES UP MORE	35	33	43	43	44	46	47	47	55	48	57	48	51
DK,NA	*	*	1	*	1	2	1	*	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP DURING THE NEXT YEAR

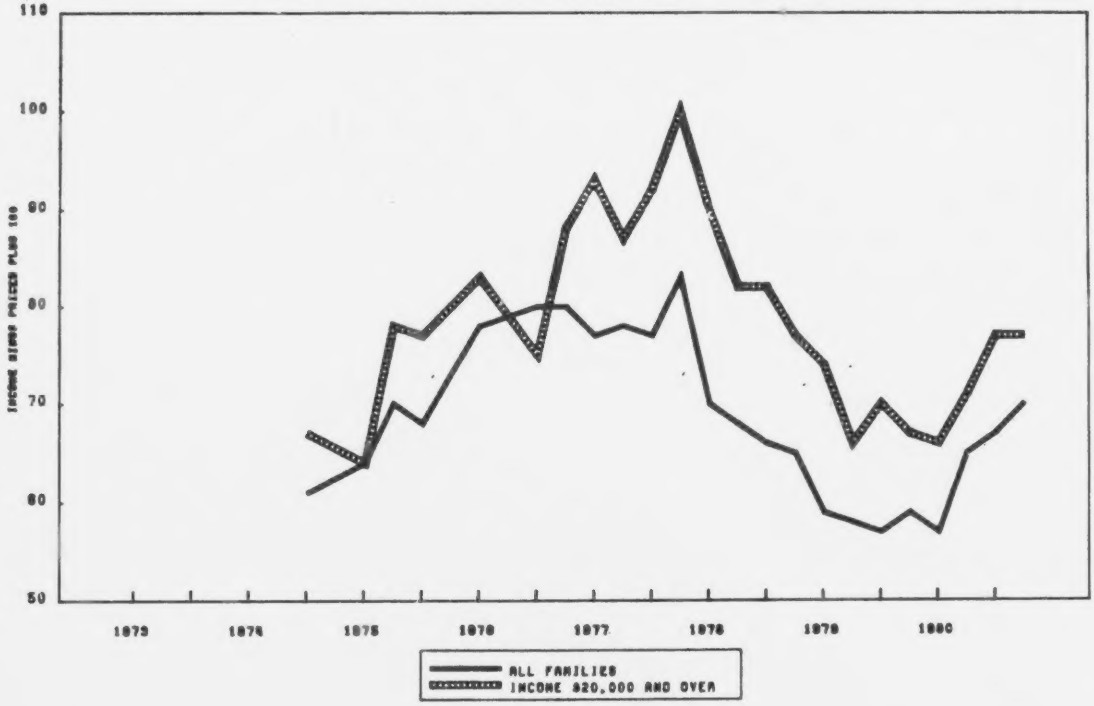

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
INCOME UP MORE	15%	12%	12%	11%	11%	10%	10%	11%	10%	10%	13%	12%	14%
INCOME UP SAME	46	42	39	39	37	35	33	33	35	34	37	39	40
PRICES UP MORE	33	42	44	47	47	51	52	52	51	53	47	45	43
DK,NA	6	4	5	3	5	4	5	4	4	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	27%	20%	19%	21%	17%	18%	15%	16%	14%	15%	15%	18%	16%
INCOME UP SAME	45	46	42	40	41	37	35	37	39	36	41	39	43
PRICES UP MORE	26	32	37	38	40	44	49	46	46	48	43	41	39
DK,NA	2	2	2	1	2	1	1	1	1	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

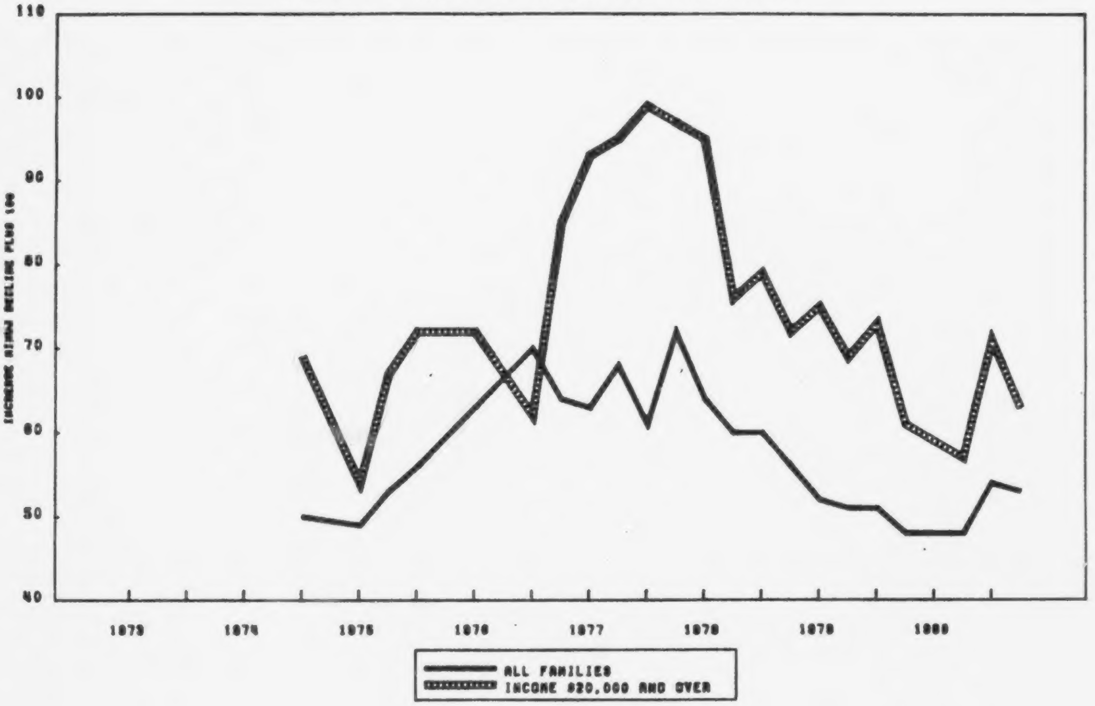

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	8%	7%	8%	5%	5%	4%	4%	4%	4%	7%	4%	4%	6%
Intermittant increase (b)	11	8	8	10	7	7	7	8	8	8	9	10	8
Remain unchanged (c)	23	21	17	18	19	18	15	15	14	16	13	16	16
Intermittant decline (d)	20	19	20	20	21	18	21	20	22	19	24	22	25
Continuous decline (e)	27	32	36	35	35	41	39	41	42	42	40	37	35
Mixed change (f)	4	5	4	6	5	6	7	7	6	6	6	6	6
DK,NA	7	8	7	6	8	6	7	5	4	2	4	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	18%	15%	13%	9%	9%	11%	9%	9%	7%	10%	7%	9%	9%
Intermittant increase (b)	14	15	10	14	12	12	11	14	10	9	10	15	8
Remain unchanged (c)	26	28	24	24	25	20	19	20	18	22	16	17	20
Intermittant decline (d)	14	14	17	15	18	17	17	18	22	18	25	20	25
Continuous decline (e)	21	21	30	29	31	31	34	32	34	34	34	31	29
Mixed change (f)	5	5	4	8	3	7	7	6	8	6	7	6	6
DK,NA	2	2	2	1	2	2	3	1	1	1	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

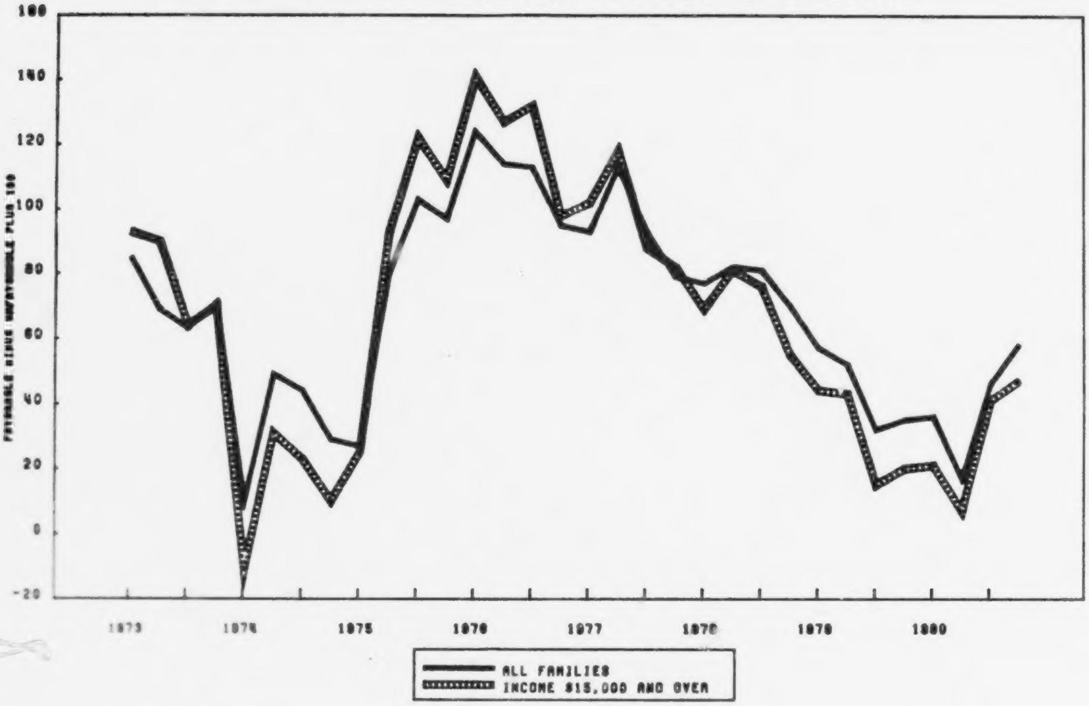

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

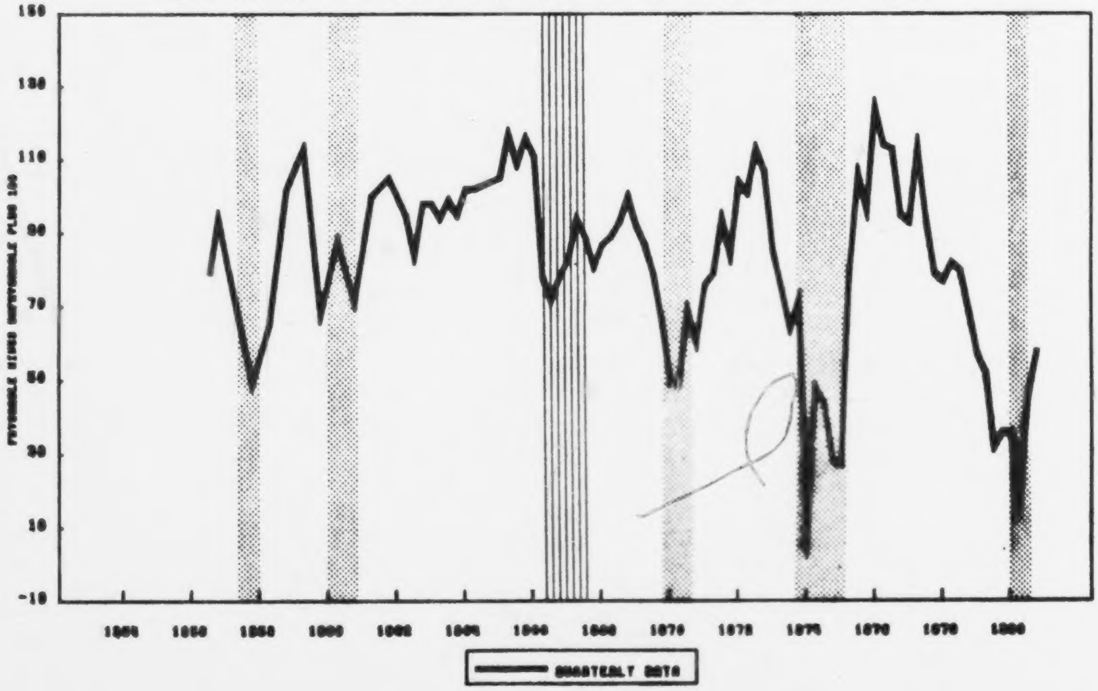

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
FAVORABLE NEWS	26%	20%	25%	22%	18%	16%	16%	12%	12%	14%	12%	24%	24%
UNFAVORABLE NEWS	47	43	43	42	49	59	64	80	76	78	94	79	66
NO MENTIONS	46	52	48	50	50	45	42	38	42	40	31	34	41
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	41%	26%	35%	30%	20%	22%	22%	15%	16%	15%	15%	31%	29%
UNFAVORABLE NEWS	61	57	54	55	65	78	79	100%	97	94	108	89	82
NO MENTIONS	29	39	36	37	39	31	30	26	29	31	23	26	30

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

A. ALL FAMILIES

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
FAVORABLE NEWS:													
Government; elections	2%	2%	2%	3%	3%	1%	1%	1%	1%	1%	1%	1%	4%
Employment	9	9	9	8	7	6	6	5	4	5	2	6	7
Higher consumer demand	4	2	2	2	2	2	1	1	1	1	1	2	2
Lower prices	1	1	*	1	*	1	1	*	1	1	1	1	1
Easier credit	1	*	*	*	*	*	*	*	*	1	4	7	1
UNFAVORABLE NEWS:													
Government; elections	5	3	4	5	3	5	3	3	3	3	3	3	3
Unemployment	17	11	9	10	10	11	12	18	18	17	37	33	22
Lower consumer demand	1	2	2	1	2	3	3	7	8	9	9	11	9
Higher prices	7	5	10	10	11	15	18	18	13	16	12	12	9
Tighter credit	1	2	3	4	7	6	3	5	14	13	16	6	13
Energy crisis	1	1	*	1	1	4	11	10	4	3	1	1	1

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
FAVORABLE NEWS:													
Government; elections	3%	2%	1%	2%	4%	3%	2%	1%	1%	1%	2%	1%	5%
Employment	15	9	13	12	7	7	8	6	5	5	3	6	9
Higher consumer demand	9	4	4	2	2	2	2	1	1	1	*	2	2
Lower prices	1	*	*	2	1	1	*	*	1	1	1	1	1
Easier credit	2	*	1	1	*	*	1	*	1	1	7	11	2
UNFAVORABLE NEWS:													
Government; elections	8	6	5	5	4	7	4	3	4	3	3	4	3
Unemployment	19	11	9	8	11	12	12	19	20	21	39	38	26
Lower consumer demand	3	3	2	1	2	3	4	10	10	12	12	13	11
Higher prices	6	6	14	12	13	20	22	21	15	18	12	9	9
Tighter credit	3	4	6	9	11	11	6	8	22	18	23	8	19
Energy crisis	2	2	*	2	1	7	14	12	5	3	1	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

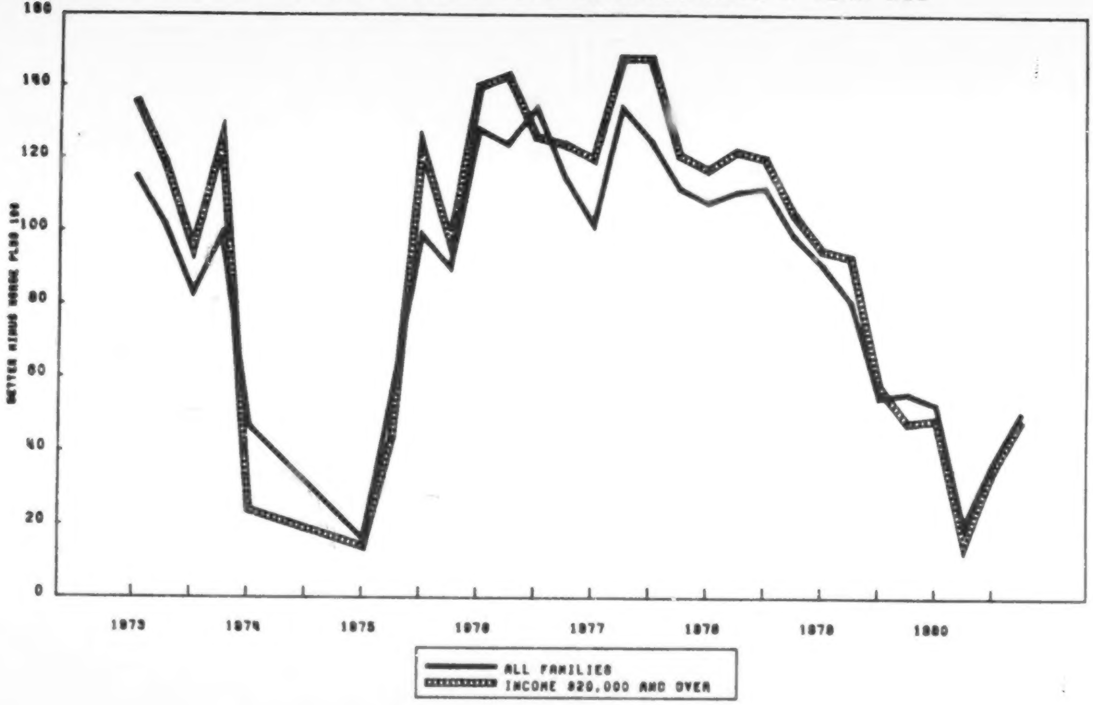

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

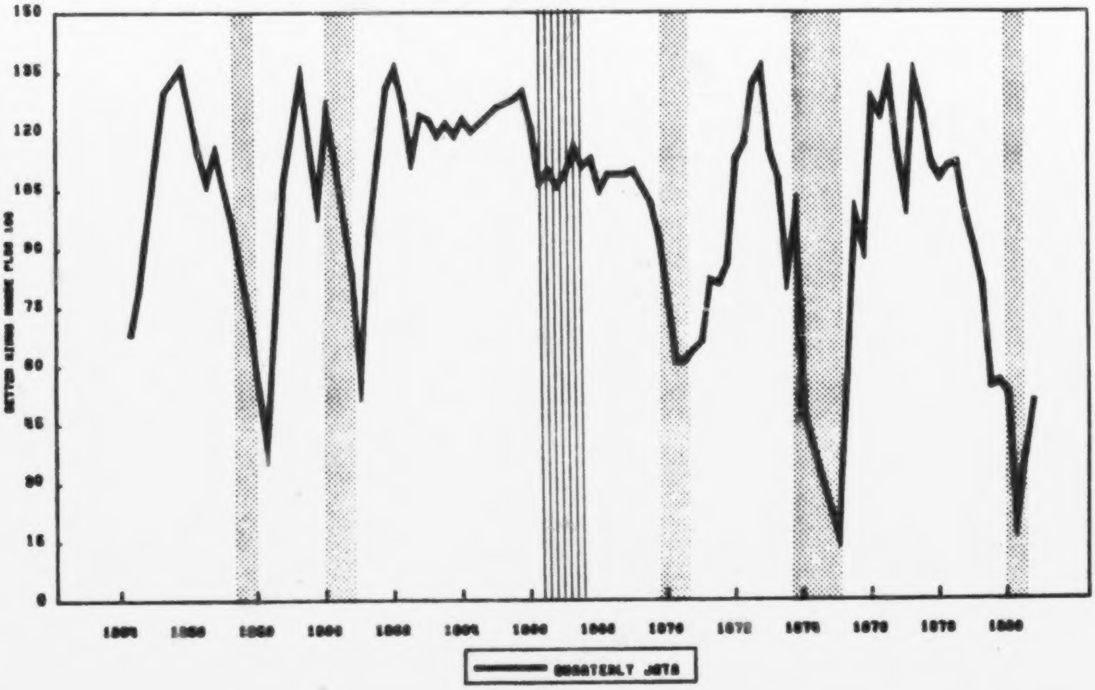

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

A. ALL FAMILIES

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
BETTER NOW	46%	43%	46%	46%	38%	36%	32%	21%	20%	19%	7%	15%	19%
SAME	17	18	16	15	19	15	14	10	12	12	6	7	11
WORSE NOW	34	35	35	35	39	45	50	66	65	66	86	77	67
DK,NA	3	4	3	4	4	4	4	3	3	3	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
BETTER NOW	53%	49%	53%	52%	44%	39%	39%	23%	19%	18%	4%	14%	18%
SAME	14	17	15	13	15	15	13	9	10	12	5	5	11
WORSE NOW	32	32	31	33	39	45	46	66	70	69	90	80	70
DK,NA	1	2	1	2	2	1	2	2	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

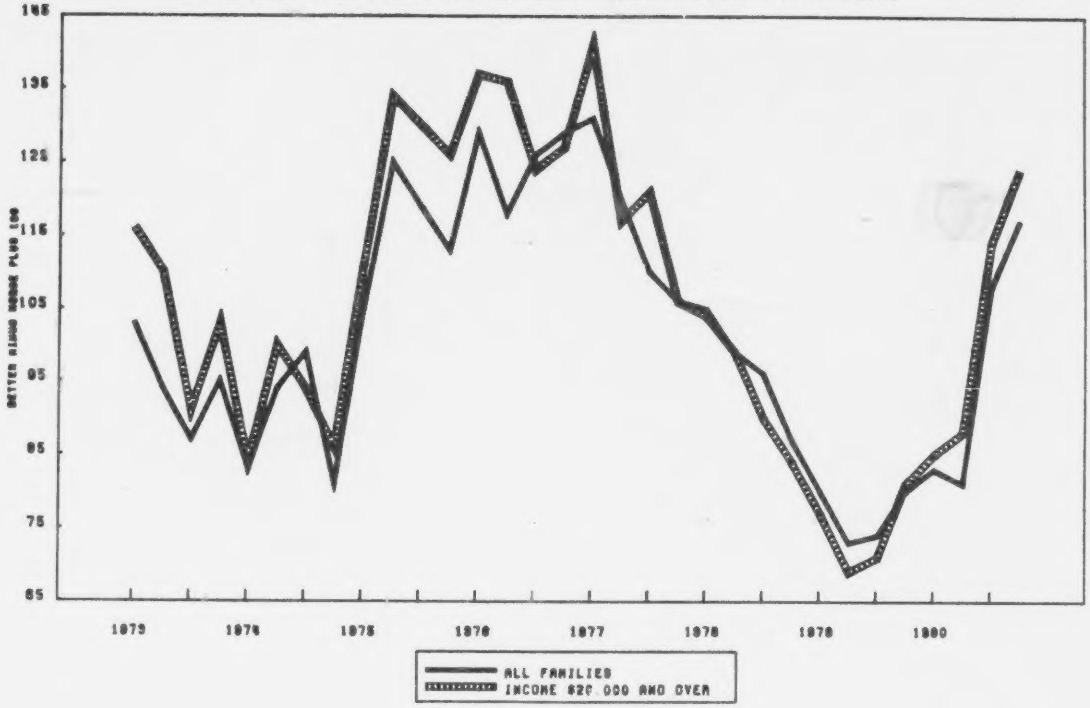

CHART 15 HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

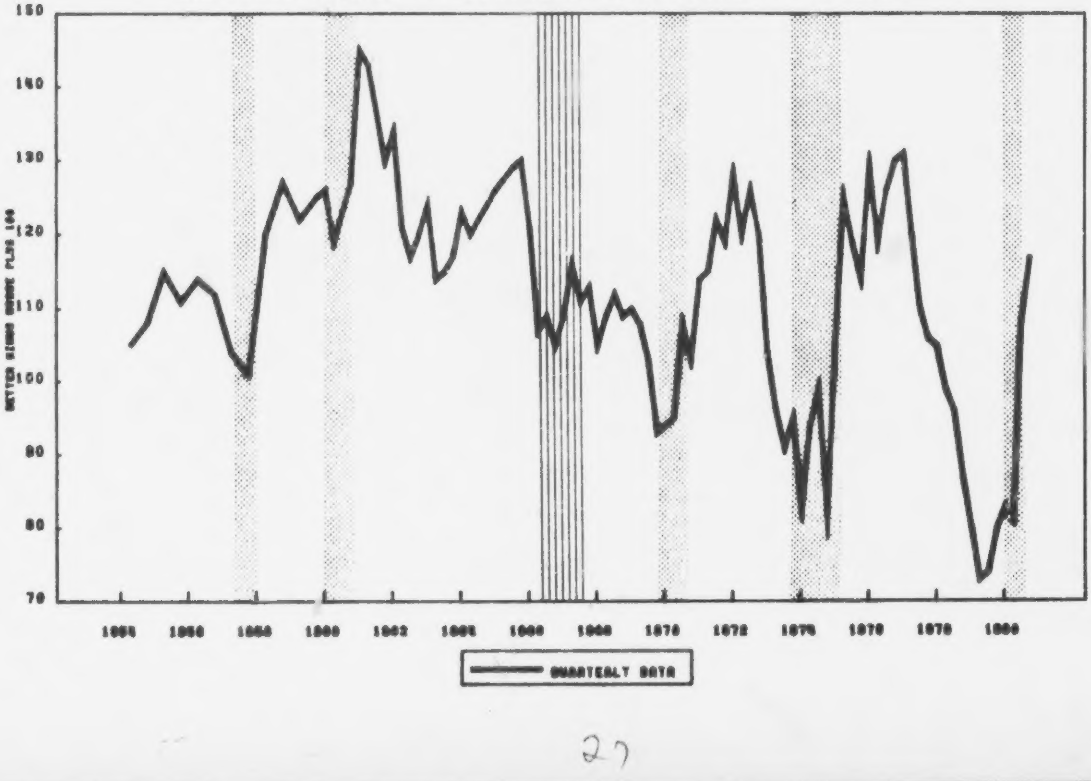

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct- Dec. 1977	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980
A. ALL FAMILIES													
BETTER	21%	24%	21%	19%	17%	14%	11%	13%	15%	17%	20%	29%	34%
SAME	59	53	54	55	49	48	46	45	46	45	37	45	44
WORSE	16	19	22	23	29	34	39	39	36	35	39	22	17
DK,NA	4	4	3	3	5	4	4	3	3	3	4	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	23%	23%	22%	19%	18%	15%	13%	15%	18%	19%	24%	34%	40%
SAME	59	55	53	51	44	45	43	39	43	45	38	44	41
WORSE	17	19	23	29	34	38	43	45	38	35	36	20	16
DK,NA	1	3	2	1	4	2	1	1	1	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	7%	6%	5%	7%	6%	5%	4%	6%	9%	11%	10%	15%	26%
Employment	8	9	8	4	4	4	3	2	2	4	2	4	4
Higher consumer demand	4	4	3	4	3	3	4	3	2	3	2	3	3
Lower prices	1	1	1	2	3	2	1	1	2	1	3	2	3
Easier credit	*	*	*	*	*	1	1	*	2	1	3	3	2
UNFAVORABLE REASONS:													
Government; elections	10	8	8	13	8	12	9	9	8	13	10	9	9
Unemployment	10	6	6	7	5	5	5	9	9	5	12	8	6
Lower consumer demand	3	2	3	4	4	4	5	7	7	7	5	5	3
Higher prices	10	9	18	20	21	22	27	24	23	16	16	11	9
Tighter credit	*	*	1	2	4	2	3	2	7	3	7	2	4
Energy crisis	3	2	2	1	1	4	14	8	6	6	2	1	1
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	9%	6%	5%	7%	6%	7%	4%	7%	12%	15%	11%	17%	31%
Employment	9	9	9	5	2	3	2	3	1	4	3	5	5
Higher consumer demand	6	4	4	5	3	4	3	2	3	5	2	4	5
Lower prices	1	2	1	2	3	2	1	2	2	2	4	2	3
Easier credit	1	1	1	1	1	2	1	*	4	3	6	3	4
UNFAVORABLE REASONS:													
Government; elections	17	13	14	15	11	12	10	11	10	13	8	9	8
Unemployment	8	5	5	8	4	5	4	9	9	4	11	7	4
Higher consumer demand	3	2	3	5	4	5	5	7	7	6	5	6	4
Higher prices	11	13	24	18	21	27	31	27	28	21	15	10	10
Tighter credit	*	1	2	2	6	4	3	2	11	3	9	3	5
Energy crisis	5	2	1	1	1	6	16	12	6	5	3	1	1

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

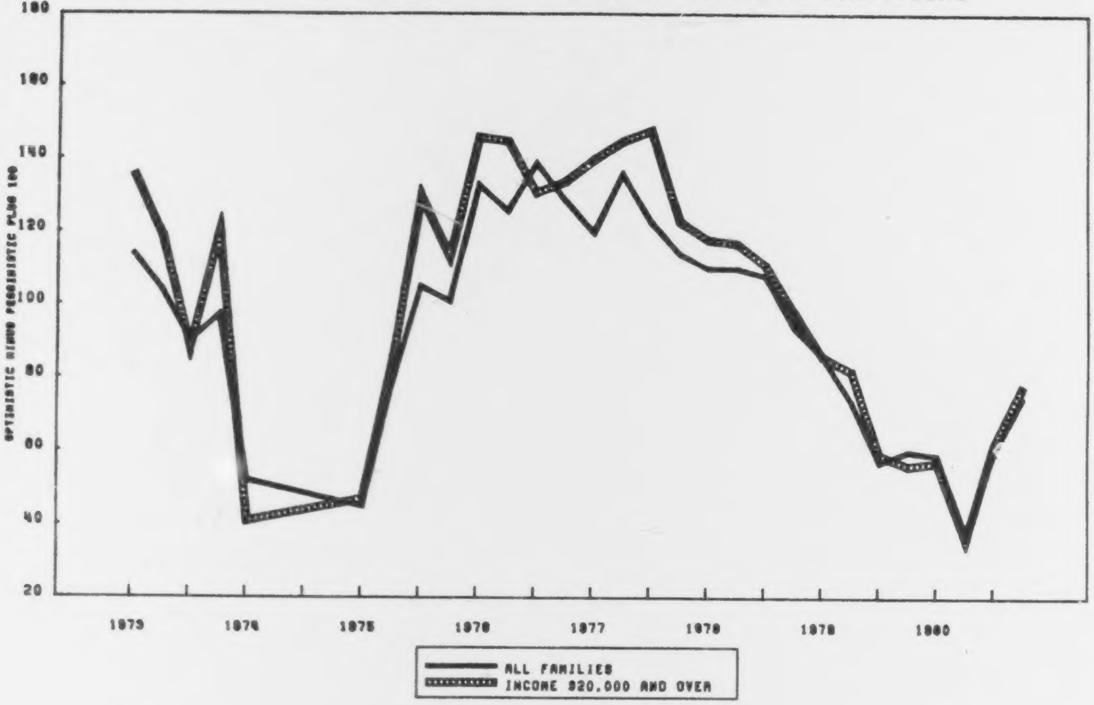

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

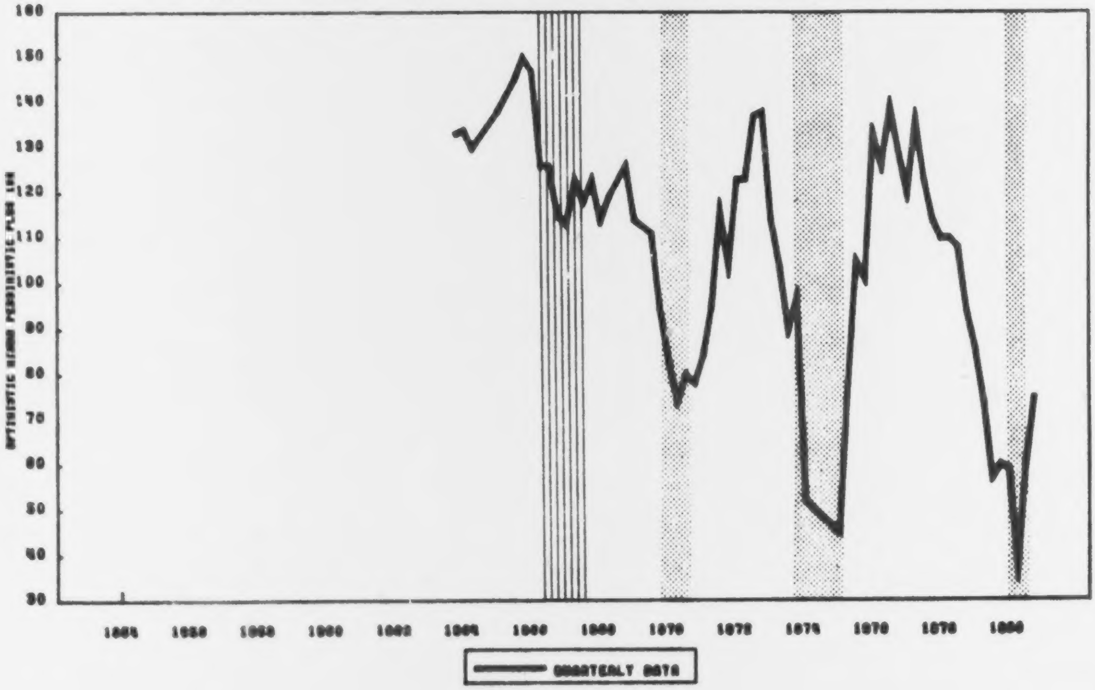

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	14%	15%	14%	14%	10%	8%	7%	4%	5%	6%	2%	5%	8%
Intermittant increase (b)	31	26	29	27	23	21	16	13	12	10	5	9	12
Remain unchanged (c)	11	12	10	10	10	9	9	5	7	7	2	3	5
Intermittant decline (d)	21	19	19	20	21	21	25	29	30	31	33	35	31
Continuous decline (e)	10	12	13	13	18	22	24	31	28	26	36	19	14
Mixed change (f)	7	10	10	10	10	12	13	13	13	15	18	24	23
DK,NA	6	6	5	6	8	7	6	5	5	5	4	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	14%	16%	16%	15%	11%	8%	8%	5%	5%	5%	2%	6%	10%
Intermittant increase (b)	37	30	31	28	24	22	20	14	12	11	3	8	12
Remain unchanged (c)	9	12	10	9	8	8	7	3	5	7	2	2	5
Intermittant decline (d)	17	17	17	17	17	21	21	26	31	31	35	35	29
Continuous decline (e)	11	11	13	16	20	23	25	34	30	27	34	18	14
Mixed change (f)	10	10	10	13	14	15	16	15	15	16	22	28	26
DK,NA	2	4	3	2	6	3	3	3	2	3	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

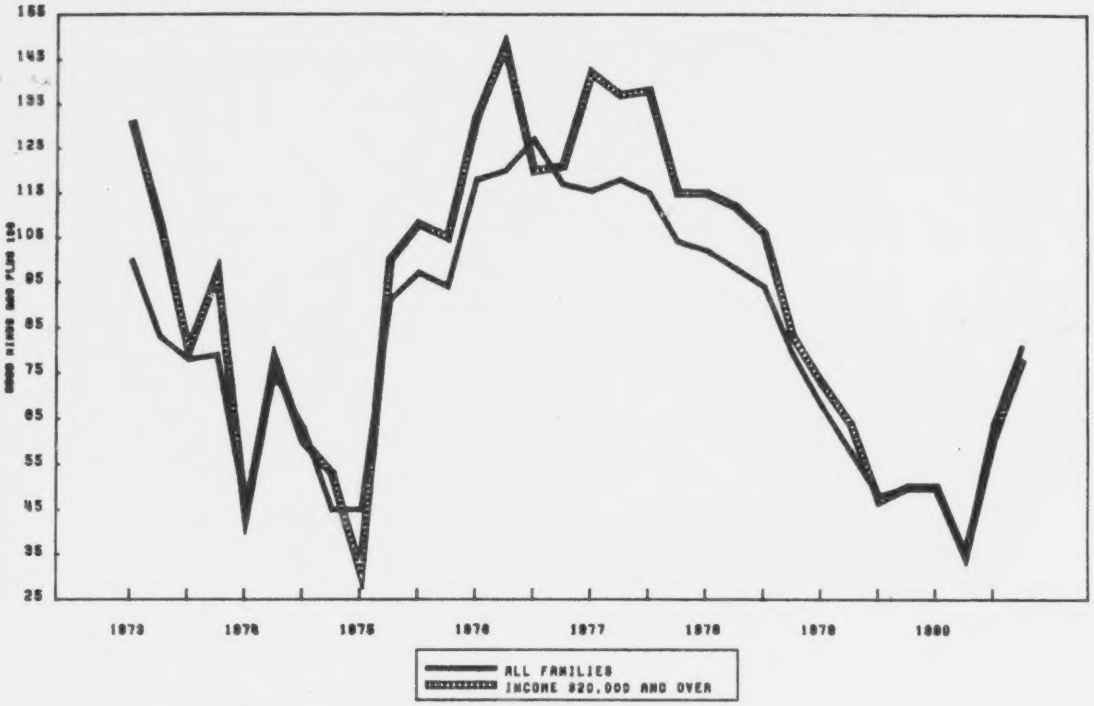

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

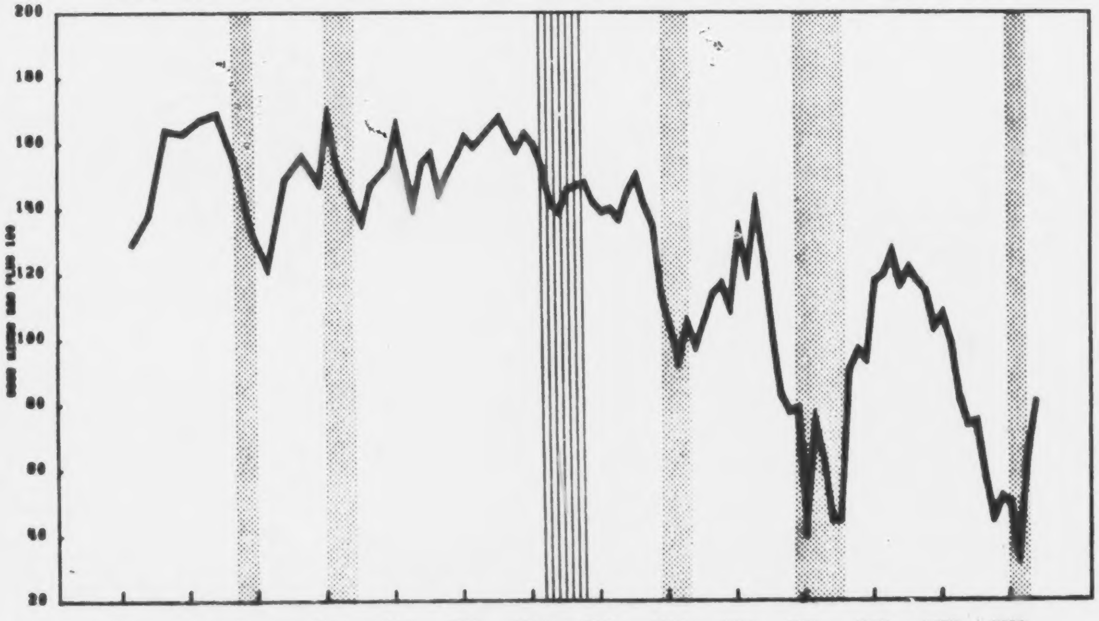

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIMES	41%	41%	42%	39%	29%	25%	22%	18%	19%	20%	14%	26%	32%
UNCERTAIN; GOOD & BAD	11	8	5	6	8	6	4	2	2	1	1	2	2
BAD TIMES	37	39	43	45	50	57	63	69	69	70	78	63	52
DON'T KNOW	8	7	6	6	9	7	5	5	4	4	4	6	8
NOT ASCERTAINED	3	5	4	4	4	5	6	6	6	5	3	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	48%	50%	49%	47%	33%	30%	26%	19%	20%	21%	15%	28%	33%
UNCERTAIN; GOOD & BAD	11	7	7	7	9	6	4	2	2	1	2	2	2
BAD TIMES	33	34	37	42	51	58	63	72	70	71	80	66	55
DON'T KNOW	4	4	3	2	4	3	2	2	2	3	1	2	5
NOT ASCERTAINED	4	5	4	2	3	3	5	5	6	4	2	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

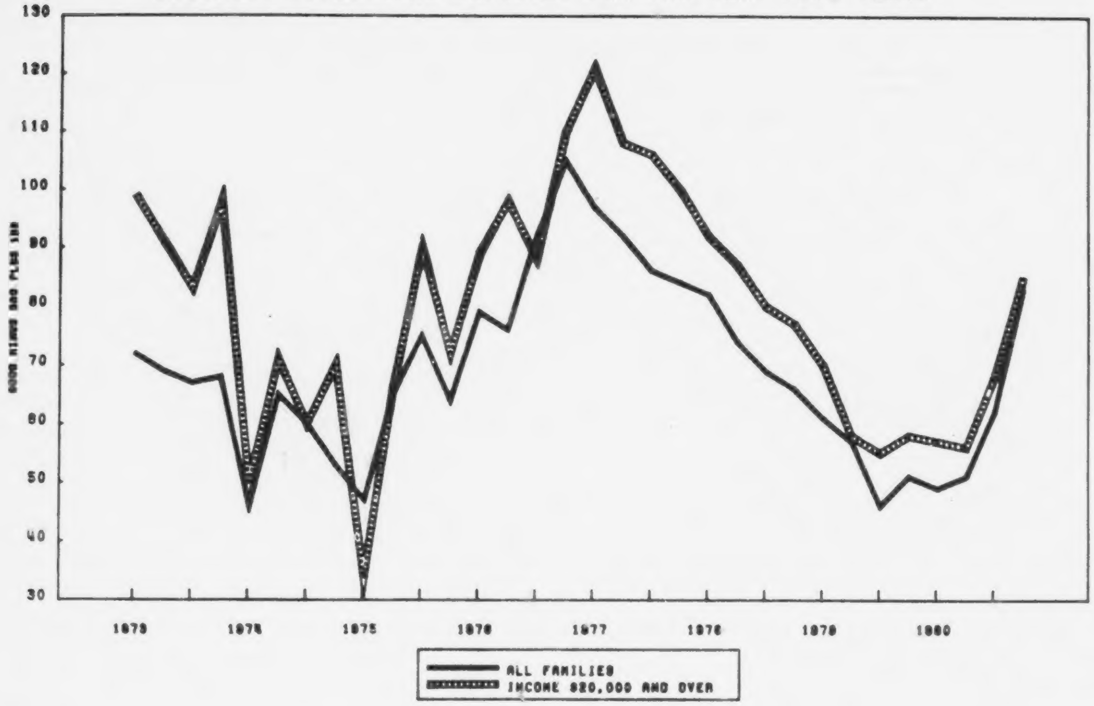

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

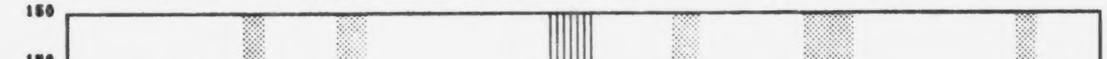

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIMES	30%	28%	24%	23%	18%	19%	17%	13%	16%	17%	17%	21%	29%
UNCERTAIN; GOOD & BAD	16	19	16	17	20	16	15	15	14	11	12	14	17
BAD TIMES	45	46	51	54	52	58	60	67	65	68	66	59	46
NOT ASCERTAINED	9	7	9	6	10	7	8	5	5	4	5	6	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	38%	33%	32%	29%	23%	24%	18%	16%	20%	21%	19%	25%	31%
UNCERTAIN; GOOD & BAD	16	20	17	18	21	18	15	17	13	10	12	13	16
BAD TIMES	38	41	44	49	46	55	60	62	62	65	63	57	46
NOT ASCERTAINED	8	6	7	4	10	3	7	5	5	4	6	5	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

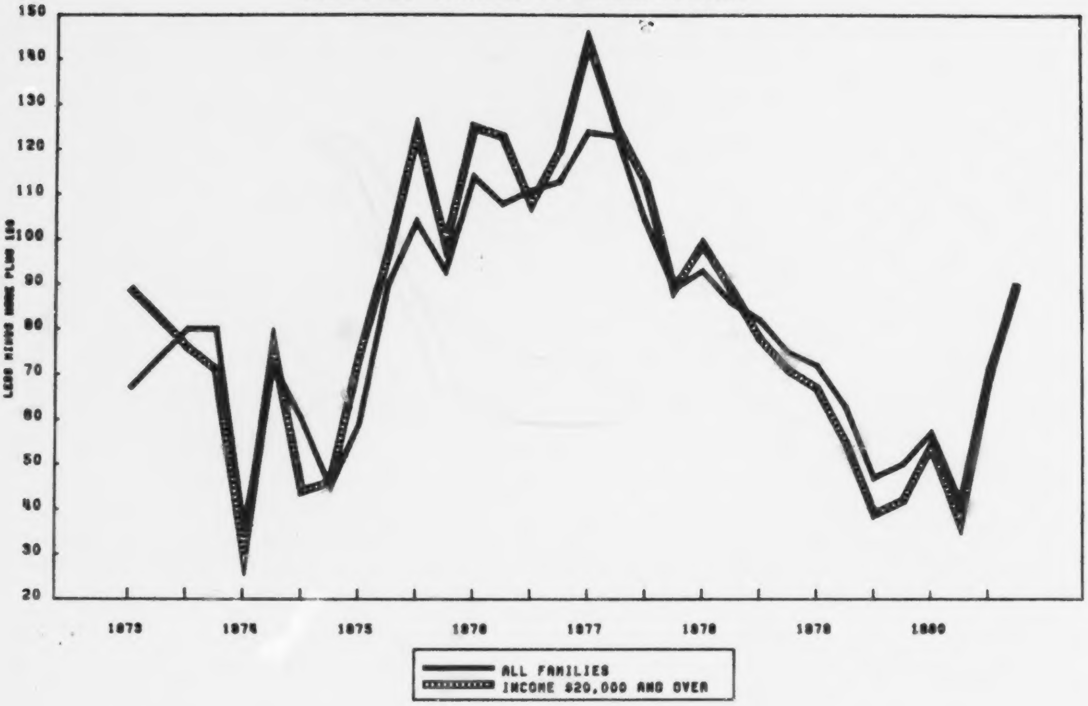

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN JNEMPLOYMENT

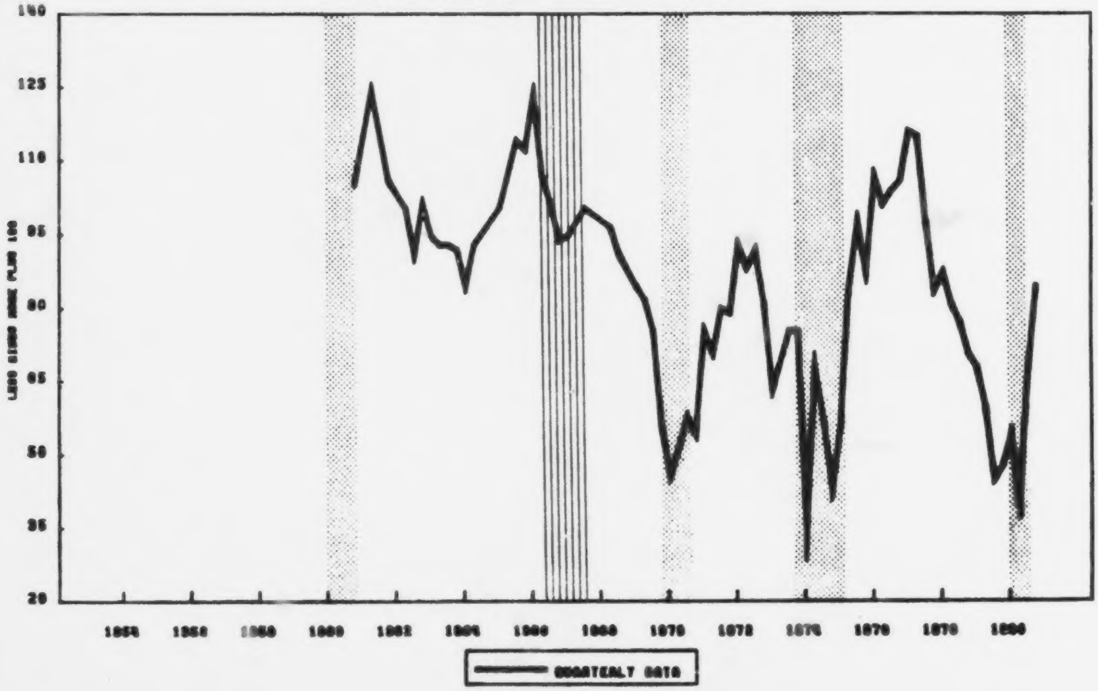

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
LESS	19%	21%	16%	14%	12%	11%	8%	6%	7%	10%	7%	17%	21%
SAME	47	47	51	51	47	47	42	32	34	36	26	35	45
MORE	30	28	30	32	37	39	46	60	57	52	66	46	31
DK,NA	4	4	3	3	4	3	4	2	2	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	20%	23%	16%	13%	9%	9%	5%	5%	4%	9%	7%	16%	21%
SAME	48	51	56	51	51	48	42	29	32	36	24	36	47
MORE	31	25	27	35	38	42	51	65	63	54	69	48	31
DK,NA	1	1	1	1	2	1	2	1	1	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

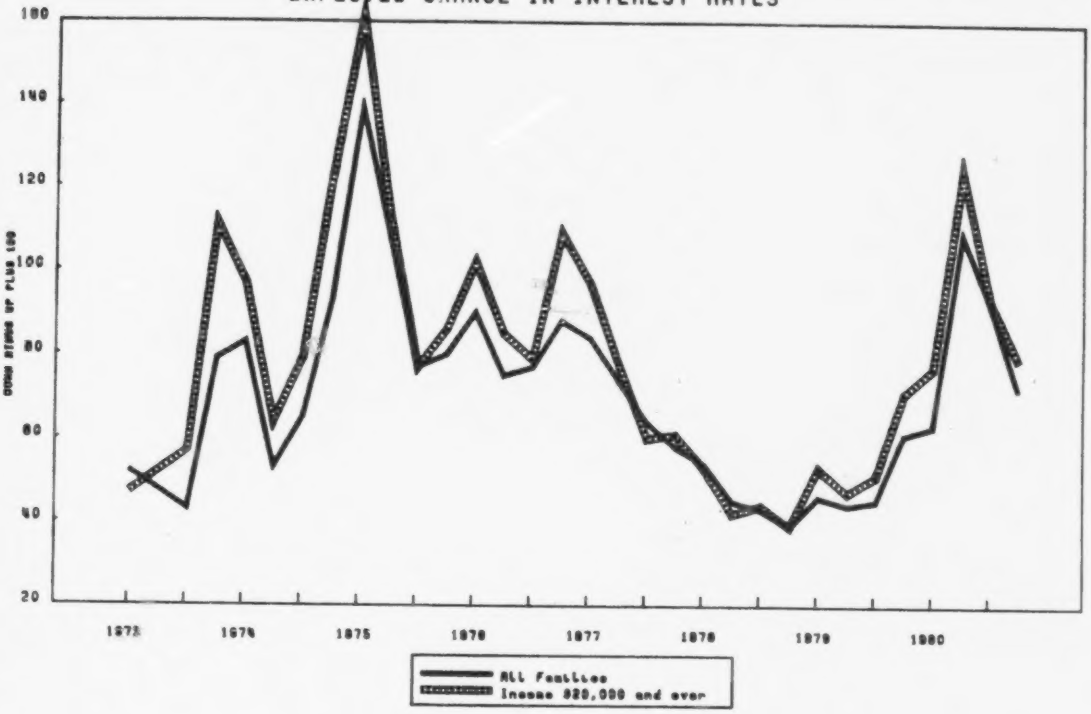

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

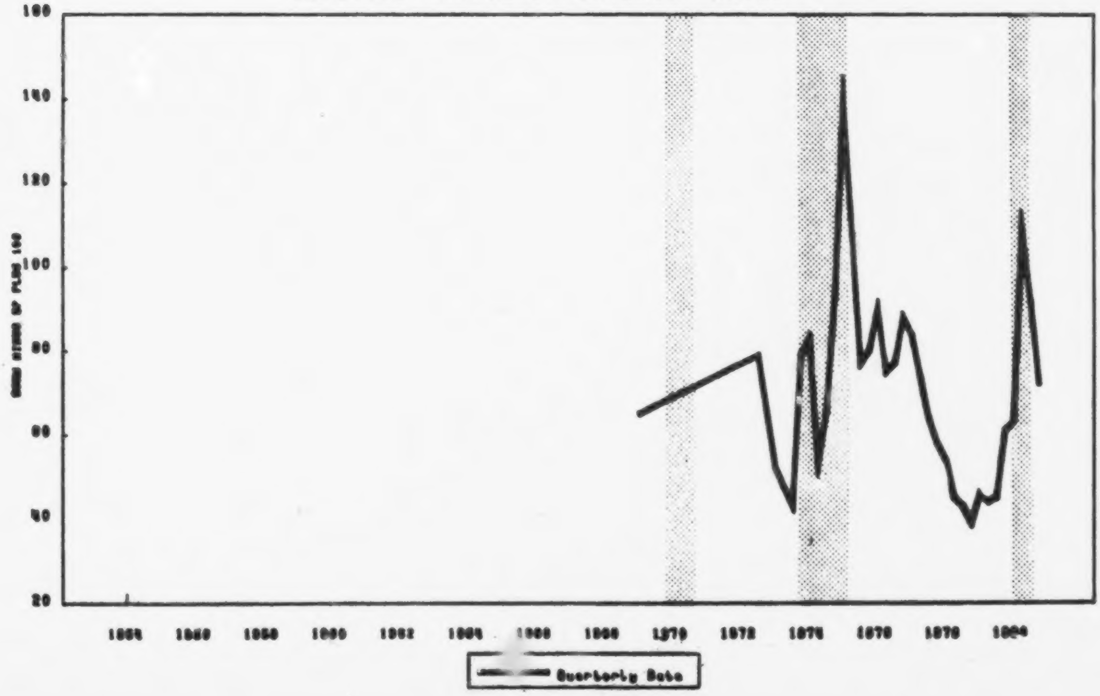

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GO UP	48%	52%	61%	64%	67%	63%	64%	64%	57%	54%	34%	38%	51%
STAY THE SAME	38	32	29	24	22	23	24	23	21	25	20	29	20
GO DOWN	6	7	5	7	6	9	8	9	19	17	43	29	23
DK,NA	8	9	5	5	5	5	4	4	3	4	3	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	47%	52%	63%	64%	68%	58%	62%	62%	54%	47%	28%	37%	48%
STAY THE SAME	41	37	31	25	22	29	26	25	20	27	19	30	21
GO DOWN	8	6	5	9	8	12	9	12	25	24	52	30	27
DK,NA	4	5	1	2	2	1	3	1	1	2	1	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
SAME OR DOWN	6%	4%	3%	2%	4%	1%	1%	1%	1%	2%	5%	4%	2%
GONE UP BY:													
1-2%	5	4	3	3	3	2	1	1	2	1	1	2	2
3-4%	10	7	8	4	5	5	4	3	3	4	3	5	4
5%	12	10	11	10	7	6	6	6	5	6	5	7	9
6-9%	16	17	17	16	17	17	13	10	10	8	8	11	11
10-14%	17	15	18	21	22	27	29	30	32	28	25	22	25
15% or more	16	20	22	26	22	27	32	34	33	38	38	31	31
DK how much up	17	22	18	17	20	15	14	15	14	13	14	17	15
DK,NA	1	1	*	1	*	*	*	*	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	10.3	11.7	12.9	14.1	12.9	14.8	15.5	15.4	16.2	16.4	15.9	14.5	15.0
VARIANCE	117	127	158	160	136	162	156	146	175	164	165	160	163
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	5%	6%	2%	1%	2%	1%	1%	*	1%	1%	3%	5%	2%
GONE UP BY:													
1-2%	5	3	2	3	3	2	*	1	2	1	2	1	2
3-4%	10	8	8	4	6	5	4	1	4	2	3	5	3
5%	15	15	10	11	8	6	3	4	4	6	5	5	5
6-9%	27	25	24	25	28	24	14	11	8	9	8	12	11
10-14%	20	17	23	28	23	32	37	39	40	31	30	28	33
15% or more	13	14	22	22	20	25	34	36	36	44	41	35	34
DK how much up	5	11	9	6	10	5	6	8	5	6	8	9	9
DK,NA	*	1	*	*	*	*	1	*	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.0	8.8	12.1	11.7	11.8	13.1	15.0	15.1	15.5	15.9	15.4	14.5	14.8
VARIANCE	70	52	114	87	101	105	119	103	135	118	128	134	130

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

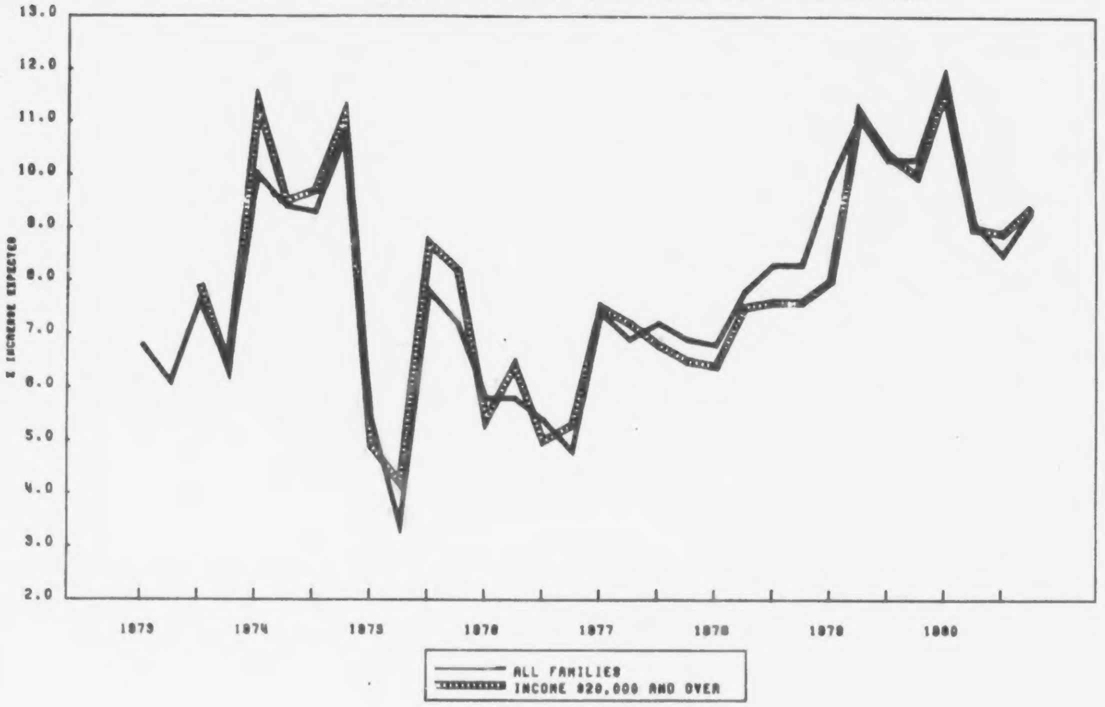

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

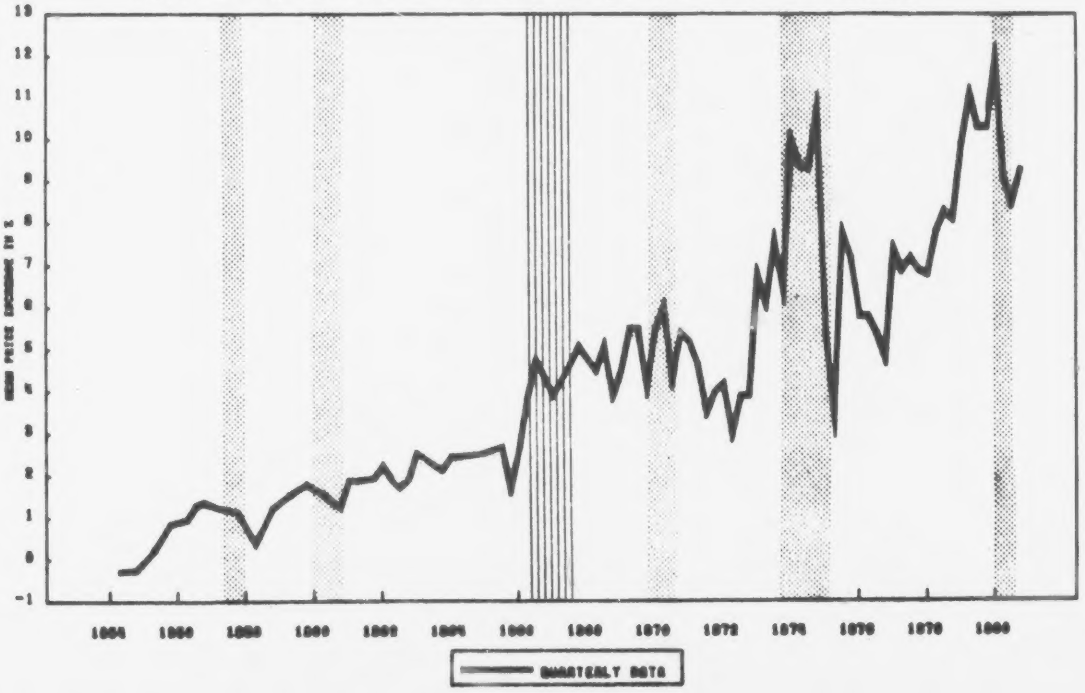

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
SAME OR DOWN	17%	13%	11%	13%	10%	8%	8%	12%	13%	10%	26%	19%	21%
WILL GO UP BY:													
1-2%	7	7	6	5	4	4	3	3	3	3	2	5	3
3-4%	9	10	10	8	7	7	6	6	5	4	4	6	5
5%	14	13	11	12	11	9	10	9	8	9	8	10	9
6-9%	17	17	20	17	20	20	14	13	14	11	9	11	11
10-14%	12	12	14	17	20	22	26	27	27	28	20	22	23
15% or more	10	6	8	10	7	13	19	18	16	24	19	13	16
DK how much up	12	20	18	16	19	16	12	11	12	9	10	12	10
DK,NA	2	2	2	2	2	1	2	1	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.9	6.8	7.8	8.3	8.1	9.9	11.1	10.3	10.3	11.9	9.1	8.5	9.3
VARIANCE	52	51	68	74	59	94	106	94	95	115	102	78	103
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	11%	10%	6%	8%	6%	5%	4%	9%	11%	9%	23%	16%	16%
WILL GO UP BY:													
1-2%	6	7	6	5	6	3	1	3	3	3	2	4	2
3-4%	12	10	9	8	8	5	6	4	5	3	5	8	5
5%	19	16	12	13	9	9	10	8	7	7	9	11	9
6-9%	27	27	31	28	31	32	17	16	16	10	11	13	14
10-14%	13	13	21	22	22	30	36	36	35	38	24	27	28
15% or more	7	5	5	7	7	9	19	18	16	25	20	15	16
DK how much up	5	11	10	8	10	7	6	6	7	5	5	5	9
DK,NA	*	1	*	1	1	*	1	*	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.5	6.4	7.5	7.6	8.0	9.1	11.2	10.5	9.9	11.6	9.0	8.9	9.4
VARIANCE	32	29	37	30	39	44	81	67	66	72	75	78	77

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

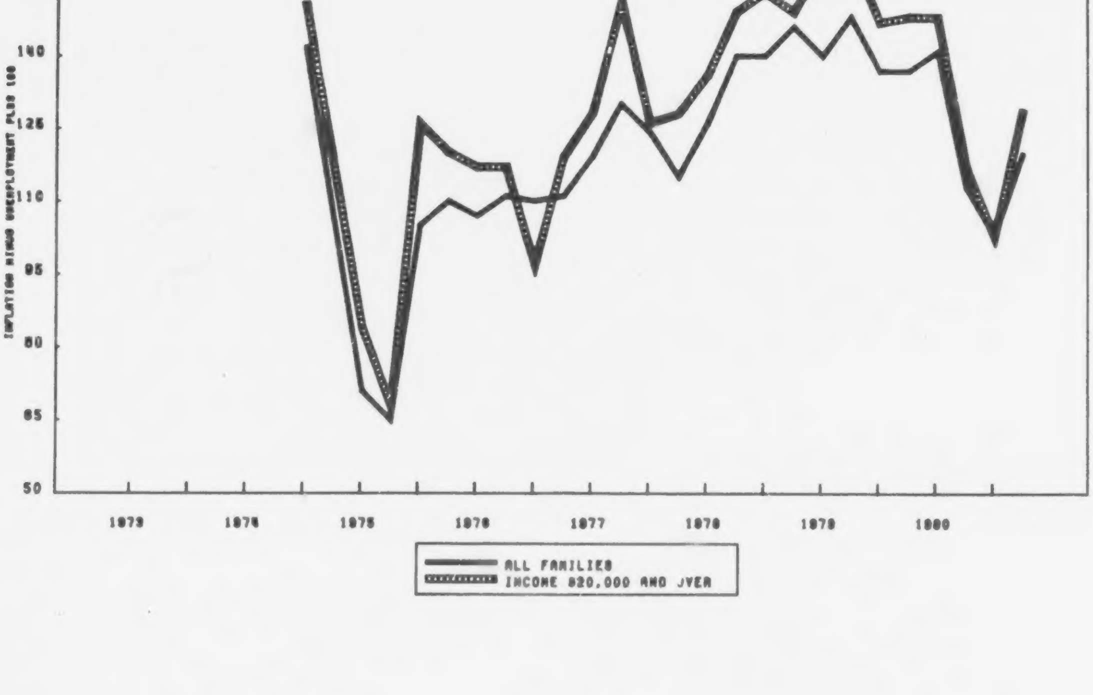

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

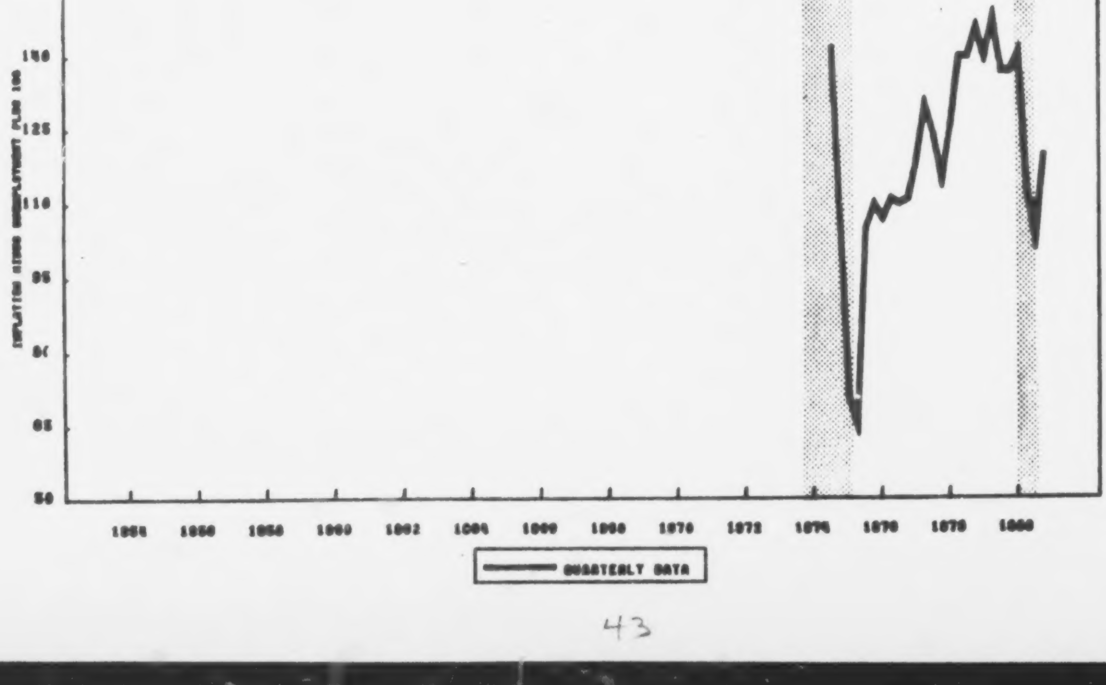

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
UNEMPLOYMENT	37%	31%	25%	25%	21%	25%	21%	26%	26%	25%	36%	42%	34%
BOTH EQUALLY SERIOUS	8	8	8	7	8	7	7	9	9	7	14	10	11
INFLATION	52	57	65	65	67	65	69	63	63	66	49	45	54
DK,NA	3	4	2	3	4	3	3	2	2	2	1	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
UNEMPLOYMENT	31%	28%	22%	21%	21%	18%	17%	22%	23%	23%	35%	43%	33%
BOTH EQUALLY SERIOUS	9	7	7	5	6	5	5	8	6	6	11	11	6
INFLATION	59	64	71	74	72	77	78	69	70	71	53	45	61
DK,NA	1	1	*	*	1	*	*	1	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

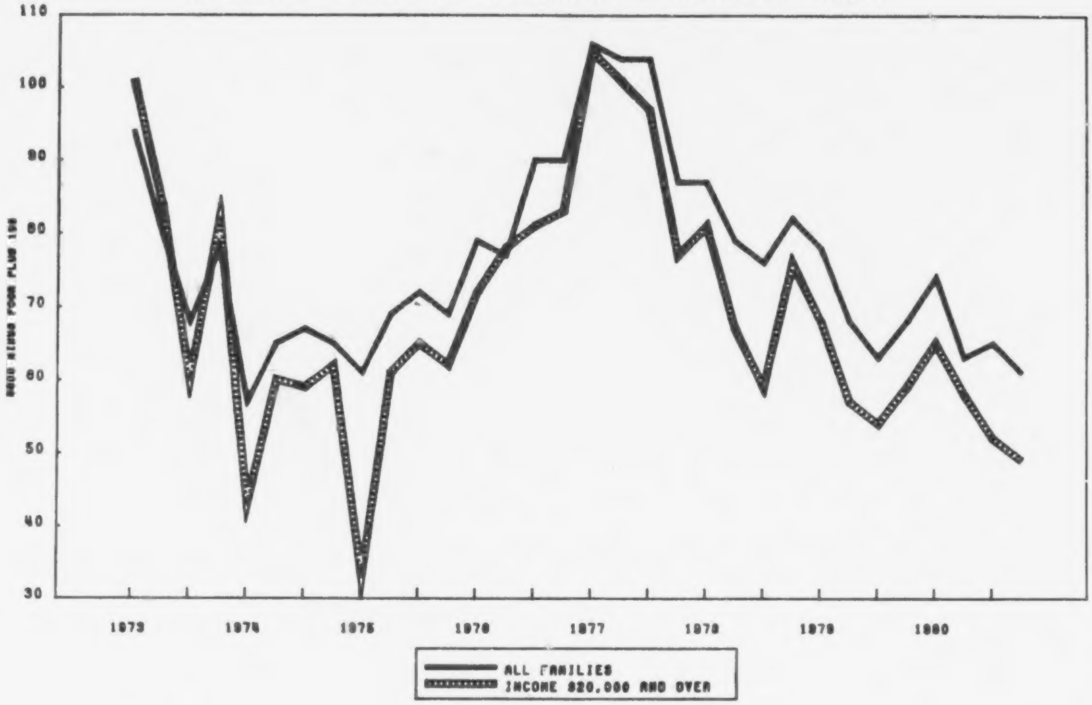

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S FCONOMIC POLICY

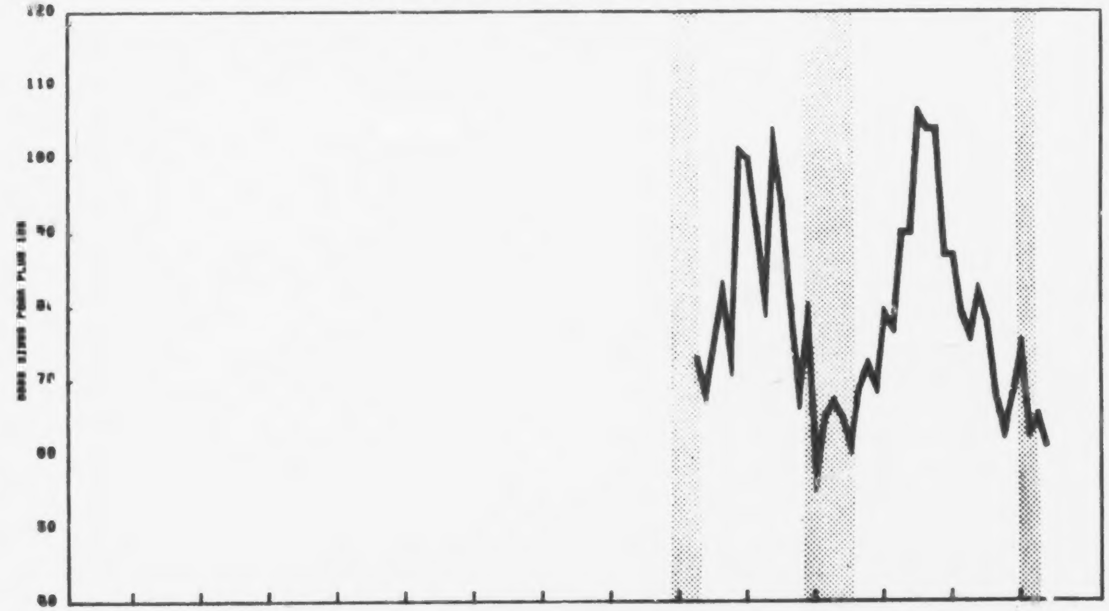

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct- Dec. 1977	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980
A. ALL FAMILIES													
A GOOD JOB	12%	12%	10%	10%	11%	10%	8%	7%	8%	10%	7%	9%	7%
ONLY FAIR	60	57	55	53	55	53	48	47	47	50	45	44	44
A POOR JOB	24	26	32	34	29	32	40	43	41	36	44	44	46
DK,NA	4	5	3	3	5	5	4	3	4	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	7%	10%	6%	6%	9%	7%	5%	5%	6%	8%	6%	5%	4%
ONLY FAIR	60	60	52	47	55	51	46	44	47	49	44	40	41
A POOR JOB	30	29	40	46	33	39	48	50	46	42	49	53	54
DK,NA	3	1	2	1	3	3	1	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

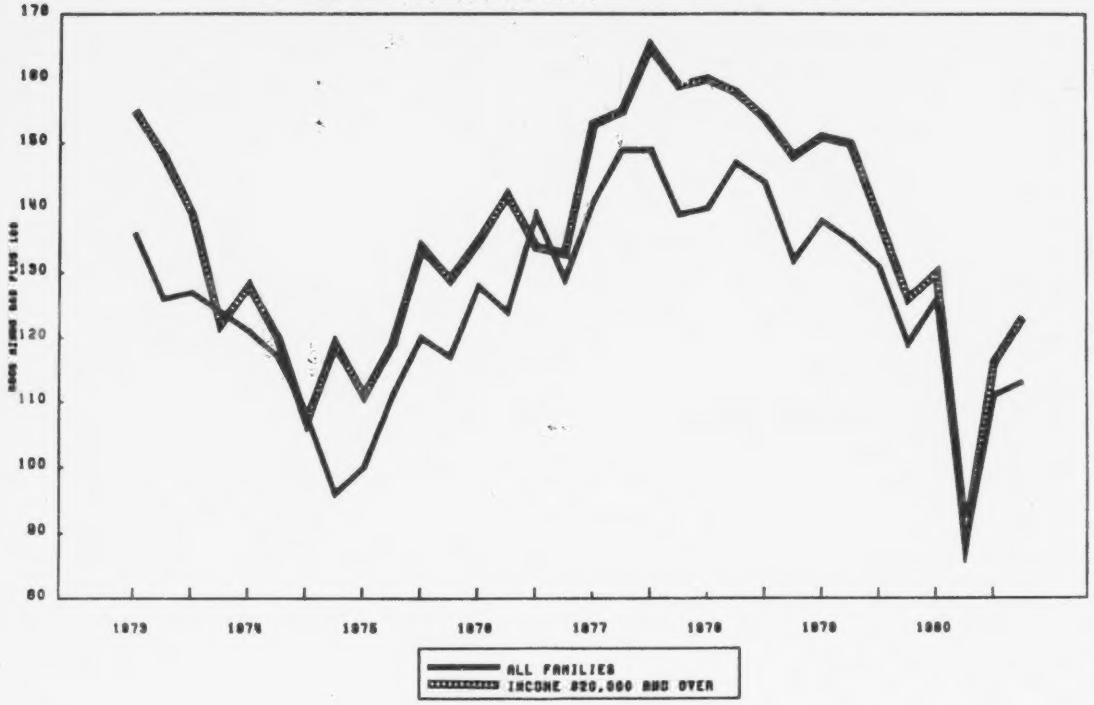

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

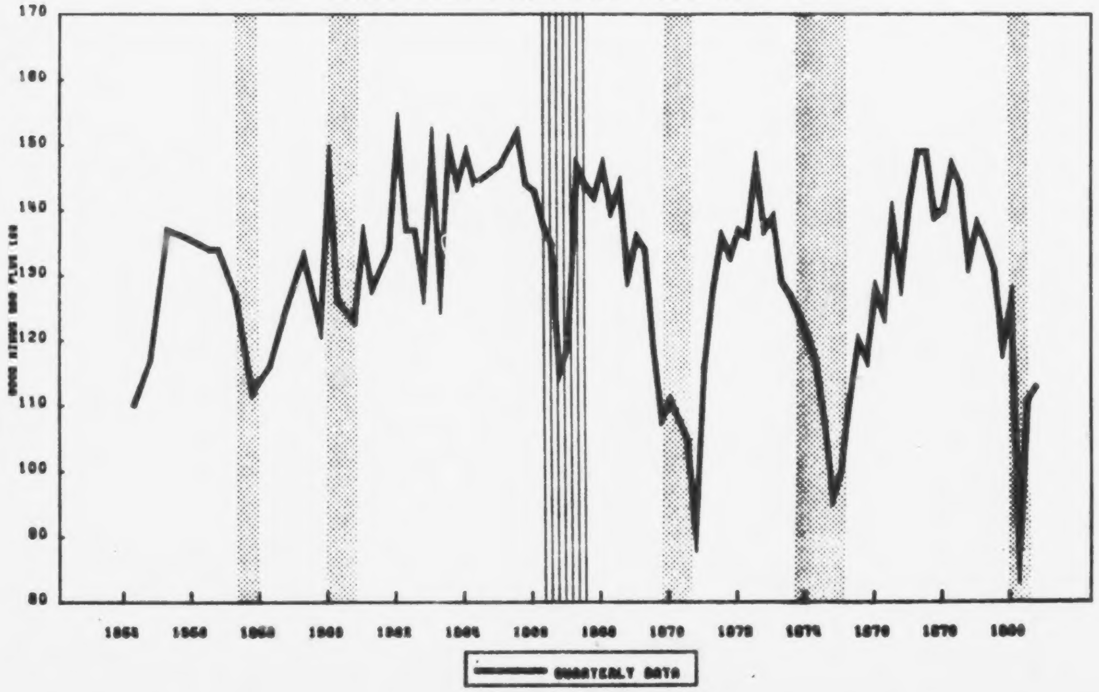

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY	61%	62%	66%	64%	57%	62%	62%	60%	54%	58%	39%	48%	50%
UNCERTAIN, DEPENDS	17	16	16	16	18	14	11	11	10	10	10	16	13
BAD TIME TO BUY	22	22	18	20	25	24	27	29	36	32	51	36	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	72%	74%	72%	70%	66%	71%	70%	63%	58%	61%	40%	51%	54%
UNCERTAIN, DEPENDS	15	12	14	13	16	10	10	11	10	8	9	14	14
BAD TIME TO BUY	13	14	14	17	18	19	20	26	32	31	51	35	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

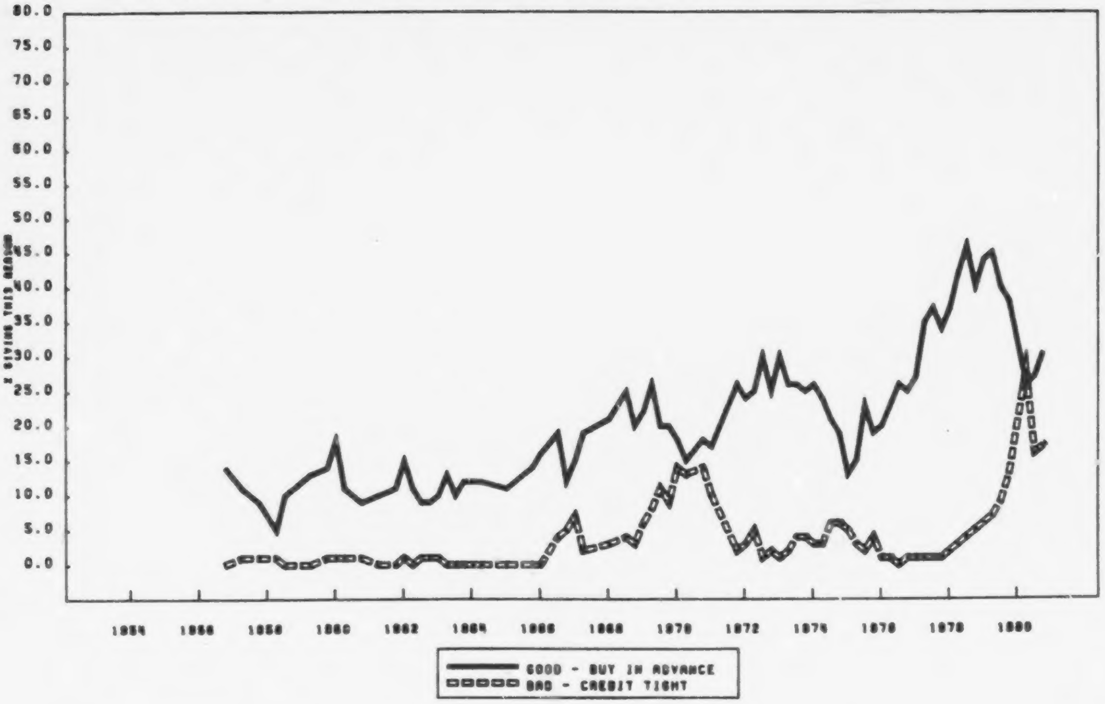

CHART 27B

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

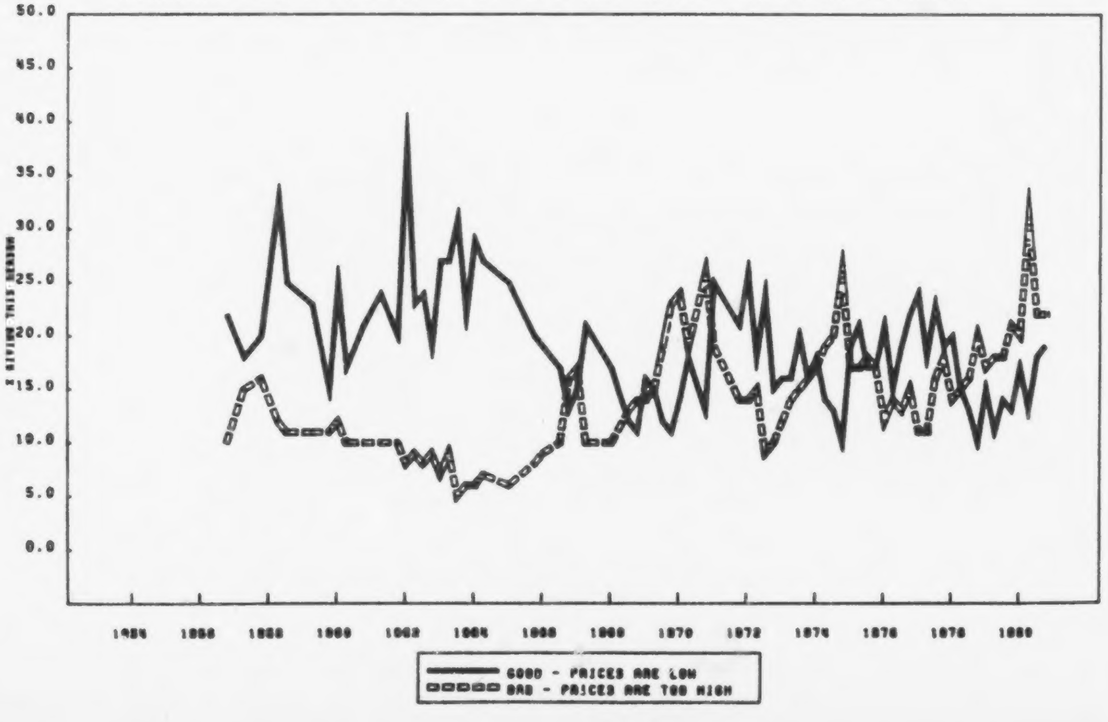

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	20%	15%	13%	10%	15%	11%	14%	13%	17%	13%	18%	19%
Prices won't come down; are going higher	34	37	42	46	40	44	45	40	38	41	26	27	28
Interest rates low; credit is easy	1	2	3	3	2	3	3	2	3	4	3	4	3
BAD TIME TO BUY:													
Prices are high	18	14	15	16	20	17	18	18	21	20	31	22	22
Interest rates are high; credit is tight	1	2	3	4	5	6	7	9	13	14	28	16	19
Lack of purchasing power	4	7	4	4	4	6	9	10	13	13	15	15	11
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	27%	15%	14%	10%	15%	12%	16%	15%	20%	15%	20%	23%
Prices won't come down; are going higher	41	42	53	53	50	51	55	45	40	44	26	30	30
Interest rates low; credit is easy	1	2	2	4	3	4	4	3	4	3	3	5	4
BAD TIME TO BUY:													
Prices are high	11	9	11	13	17	12	13	16	21	16	27	20	16
Interest rates are high; credit is tight	*	1	2	4	4	7	7	9	15	17	33	16	24
Lack of purchasing power	2	6	3	3	3	6	8	9	10	11	15	15	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

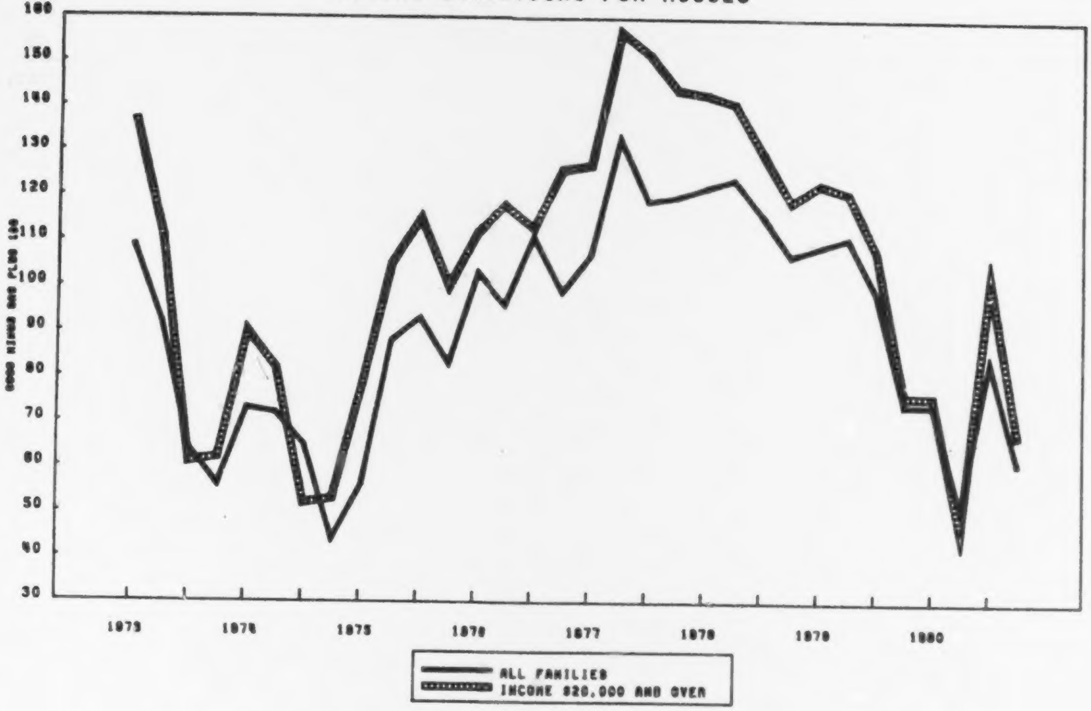

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

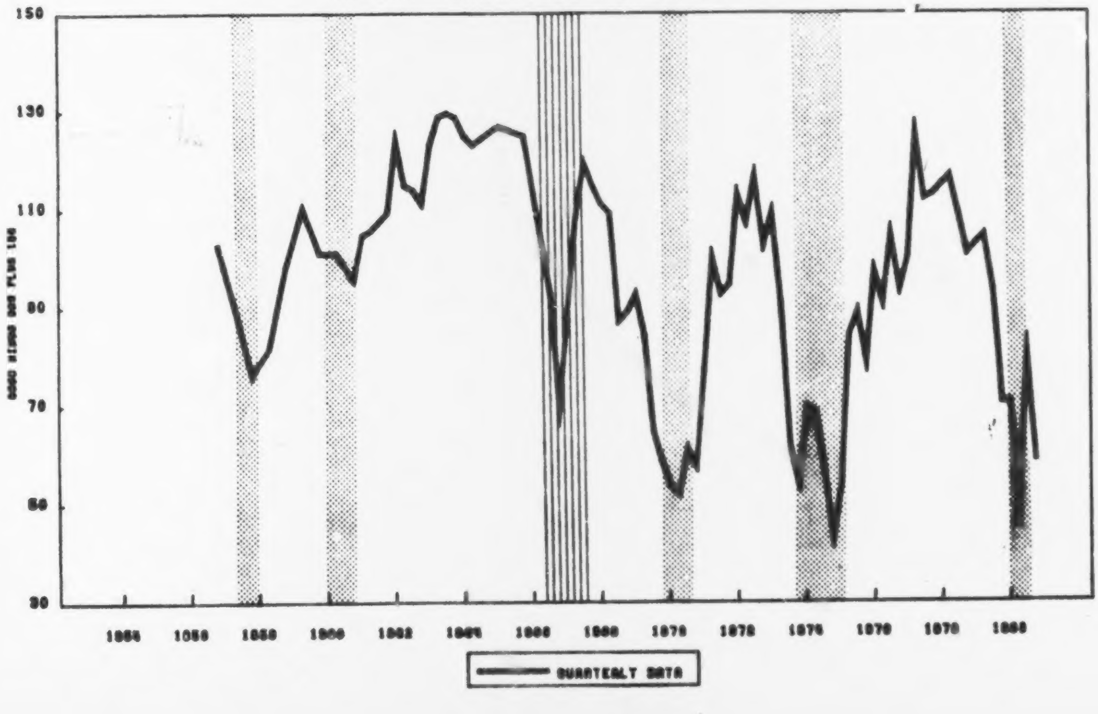

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY	54%	56%	58%	53%	48%	50%	52%	47%	34%	35%	22%	39%	28%
UNCERTAIN, DEPENDS	11	10	8	10	11	9	7	5	6	5	7	6	5
BAD TIME TO BUY	35	34	34	37	41	41	41	48	60	60	71	55	67
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	68%	68%	68%	61%	55%	58%	58%	51%	35%	36%	20%	48%	30%
UNCERTAIN, DEPENDS	8	7	5	8	9	7	5	5	6	4	6	6	6
BAD TIME TO BUY	24	25	27	31	36	35	37	44	59	60	74	46	64
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

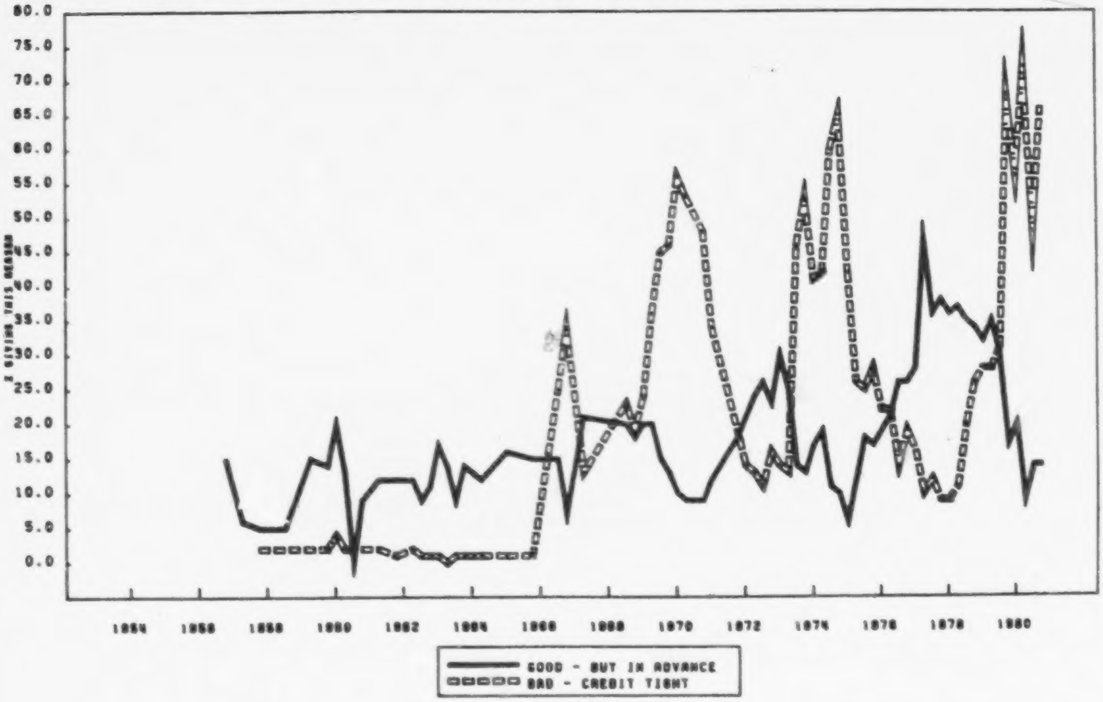

CHART 29B

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

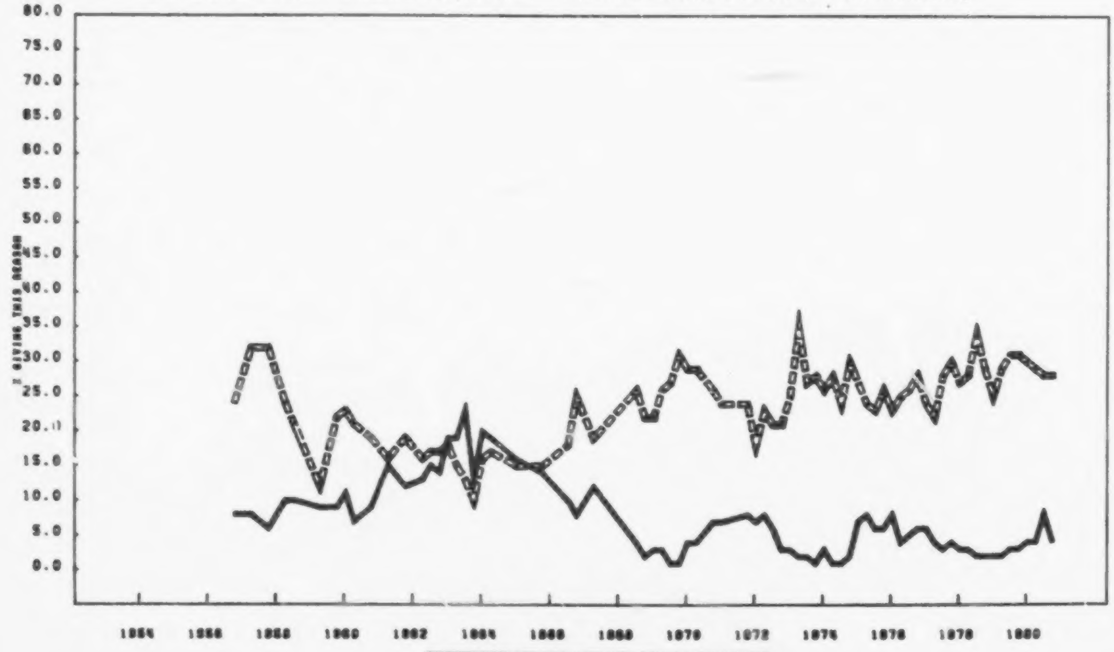

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	4%	3%	3%	2%	2%	2%	2%	3%	3%	4%	4%	8%	4%
Prices won't come down; are going higher	38	36	37	35	34	32	35	30	17	20	9	14	14
Interest rates low; credit is easy	10	7	10	9	9	11	12	10	8	9	8	24	11
Good investment	11	11	10	14	9	12	14	12	8	12	7	8	7
BAD TIME TO BUY:													
Prices are high	30	27	28	34	29	25	29	31	31	30	29	28	28
Interest rates are high; credit is tight	9	9	11	20	26	28	28	31	68	56	72	48	66
Lack of purchasing power	6	4	7	3	6	6	9	9	9	8	9	13	12
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	8%	5%	3%	2%	5%	4%	2%	3%	4%	5%	7%	13%	7%
Prices won't come down; are going higher	42	43	50	46	37	37	40	33	16	20	8	16	13
Interest rates low; credit is easy	12	12	16	14	11	16	18	13	10	10	9	32	13
Good investment	17	13	14	16	10	11	17	15	10	14	7	10	9
BAD TIME TO BUY:													
Prices are high	22	21	23	22	25	18	23	27	28	28	28	25	24
Interest rates are high; credit is tight	9	9	11	26	34	35	31	38	75	63	80	45	74
Lack of purchasing power	3	2	2	3	4	3	5	8	7	7	8	9	8

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

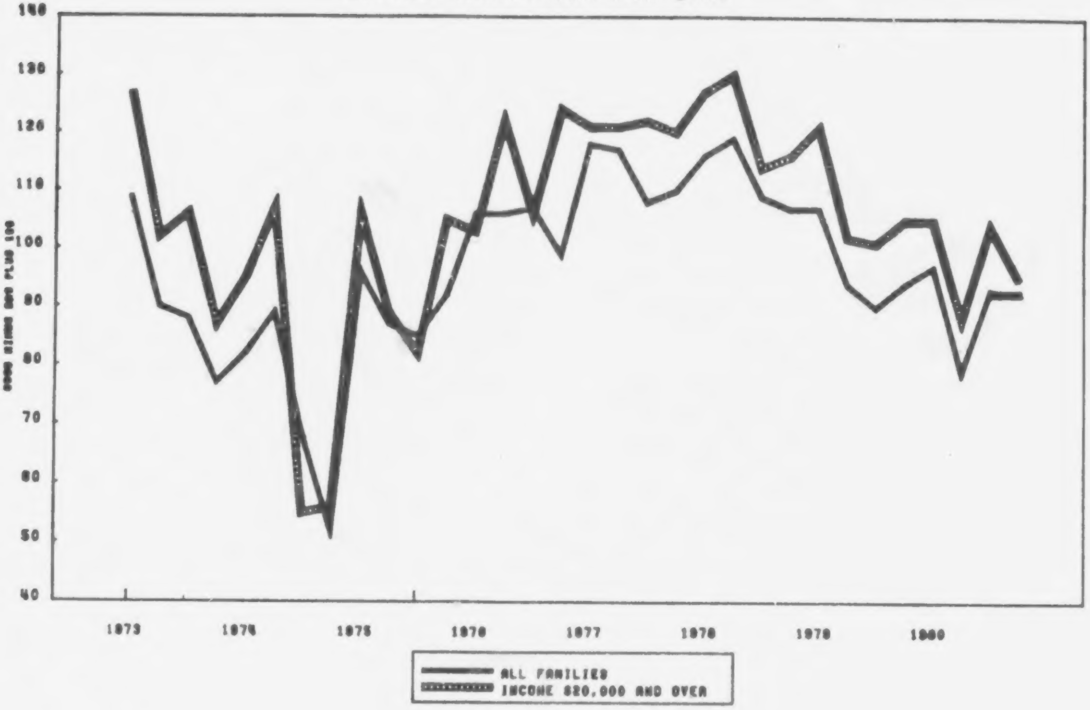

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

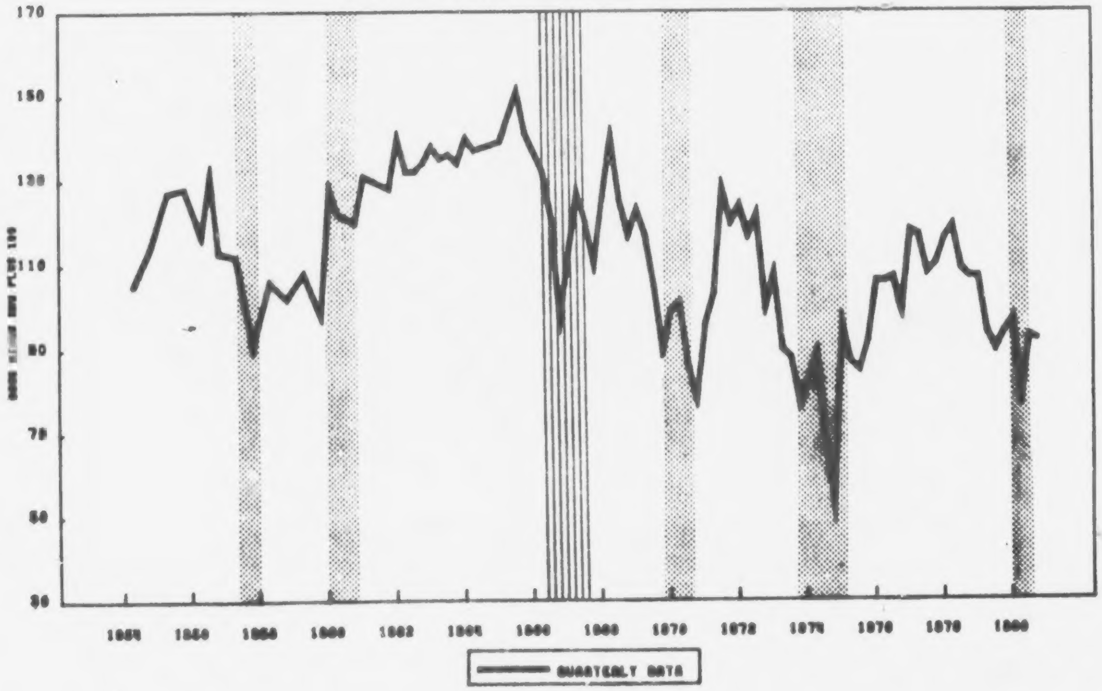

TABLE 30

BUYING CONDITIONS FOR CARS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY	46%	50%	52%	46%	44%	46%	41%	38%	42%	44%	34%	40%	40%
UNCERTAIN; DEPENDS	18	17	16	17	19	15	12	14	10	9	11	13	13
BAD TIME TO BUY	36	33	32	37	37	39	47	48	48	47	55	47	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	52%	56%	58%	50%	50%	55%	45%	44%	49%	48%	39%	45%	42%
UNCERTAIN; DEPENDS	16	15	14	14	17	11	12	14	7	9	10	13	11
BAD TIME TO BUY	32	29	28	36	33	34	43	42	44	43	51	42	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

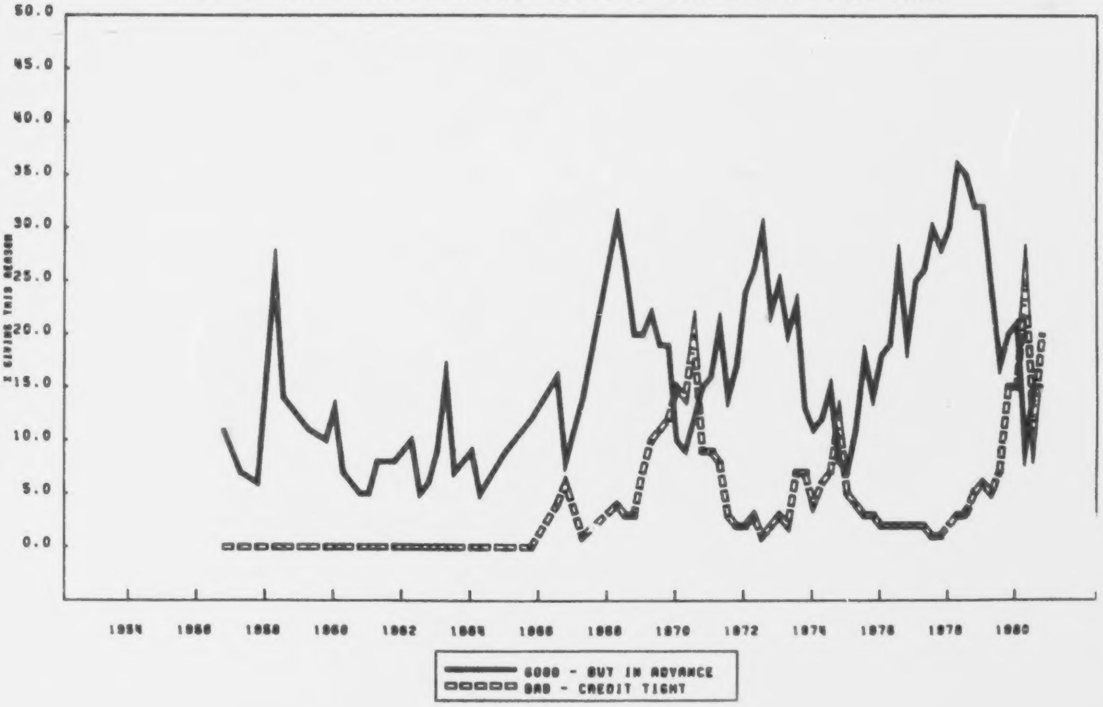

CHART 31B

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

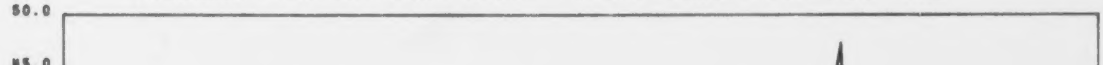

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	8%	11%	7%	7%	5%	6%	6%	16%	17%	18%	22%	23%	16%
Prices won't come down; are going higher	28	30	36	35	32	32	24	17	20	21	9	15	15
Interest rates low; credit is easy	2	2	1	2	2	2	2	1	2	3	3	4	3
New fuel efficient models	7	3	3	2	2	4	13	10	9	12	8	6	8
BAD TIME TO BUY:													
Prices are high	25	21	23	27	28	27	24	26	28	26	29	28	27
Interest rates are high; credit is tight	1	2	3	3	5	6	5	7	15	15	25	11	20
Lack of purchasing power	2	4	3	3	3	3	5	6	6	6	6	8	8
Price of gas; shortages	2	2	1	1	2	7	22	19	12	16	13	5	4
Poor selection; quality	9	8	10	11	9	9	11	11	9	10	8	12	12
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	9%	15%	7%	7%	6%	6%	7%	21%	22%	24%	30%	28%	18%
Prices won't come down; are going higher	33	35	42	38	37	40	28	17	22	22	9	17	17
Interest rates low; credit is easy	4	2	1	2	2	3	2	1	3	3	2	6	4
New fuel efficient models	8	3	5	3	2	5	14	13	9	13	8	7	7
BAD TIME TO BUY:													
Prices are high	20	17	20	24	23	20	22	23	23	24	25	25	26
Interest rates are high; credit is tight	1	1	2	4	5	7	5	6	18	15	28	10	22
Lack of purchasing power	1	3	1	2	3	2	5	3	5	4	6	8	5
Price of gas; shortages	2	2	3	1	3	7	22	17	10	13	9	4	3
Poor selection; quality	13	8	10	12	9	10	13	11	10	12	10	15	17

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
PROBABLY WILL BUY	17%	19%	20%	21%	21%	18%	17%	14%	16%	20%	14%	16%	15%
CHANCES ARE EVEN	7	8	7	6	6	9	6	7	6	8	7	6	6
PROBABLY WILL NOT BUY	63	59	61	63	65	61	66	69	68	62	68	66	67
DK,NA	13	14	12	10	8	12	11	10	10	10	11	12	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	28%	31%	32%	33%	30%	30%	26%	21%	19%	30%	18%	22%	23%
CHANCES ARE EVEN	10	10	10	7	7	10	8	10	9	9	11	8	7
PROBABLY WILL NOT BUY	61	57	58	57	62	59	64	67	68	59	69	66	68
DK,NA	1	2	*	3	1	1	2	2	4	2	2	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

* : Less than half of one percent.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	24%	27%	27%	27%	27%	27%	23%	21%	22%	28%	21%	22%	21%
PURCHASE TYPE:													
Buy new	12	15	13	11	14	11	12	11	9	14	9	9	10
Buy used	10	10	12	11	11	15	10	9	11	12	9	11	8
Lease	1	1	1	3	1	1	1	1	1	1	1	1	1
DK,NA	1	1	1	2	1	*	*	*	1	1	2	1	2
PURCHASE TIMING:													
Next 3 months	2	3	5	5	2	3	4	3	4	2	3	3	3
Next 4-6 months	4	6	6	6	4	7	7	4	4	7	6	5	3
Next 7-9 months	6	8	5	4	5	6	4	4	5	7	5	3	6
10 months or more	6	4	3	5	6	6	3	4	5	6	3	4	4
DK,NA	6	6	8	7	10	5	5	6	4	6	4	7	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	38%	41%	42%	40%	37%	40%	34%	31%	28%	39%	29%	30%	30%
PURCHASE TYPE:													
Buy new	20	27	27	21	23	22	21	18	15	23	16	16	16
Buy used	13	10	11	10	11	14	11	11	10	12	9	11	11
Lease	3	2	2	7	2	3	1	1	2	3	2	1	2
DK,NA	2	2	2	2	1	1	1	1	1	1	2	2	1
PURCHASE TIMING:													
Next 3 months	3	4	8	7	3	4	6	6	5	3	4	5	4
Next 4-6 months	6	9	12	10	7	10	11	7	5	12	7	7	6
Next 7-9 months	9	12	9	9	7	11	7	5	8	9	8	6	7
10 months or more	9	8	5	7	9	9	5	8	6	8	4	4	6
DK,NA	11	8	8	7	11	6	5	5	4	7	6	8	7

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Oct-Dec. 1977	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	63%	59%	61%	63%	65%	61%	66%	69%	68%	62%	68%	66%	67%
PURCHASE TYPE:													
Would buy new	38	32	32	37	36	34	38	39	41	36	39	38	40
Would buy used	23	23	26	23	25	24	26	28	25	24	26	26	24
DK,NA	2	4	3	3	4	3	2	2	2	2	3	2	3
PURCHASE TIMING:													
Less than 2 years	6	6	7	4	6	5	5	7	7	7	7	5	6
2 years	20	17	20	19	19	17	20	20	18	21	17	20	21
3 years	11	9	8	10	12	9	11	11	11	7	11	10	13
4 years or more	14	12	13	17	16	15	16	17	19	17	20	20	16
Indefinite	6	7	6	7	3	7	6	6	6	3	4	4	4
DK,NA	6	8	7	6	9	8	8	8	7	7	9	7	7
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	61%	57%	58%	57%	62%	59%	64%	67%	68%	59%	69%	66%	68%
PURCHASE TYPE:													
Would buy new	46	39	36	41	40	38	43	44	47	39	47	48	49
Would buy used	14	16	20	14	20	18	20	21	20	19	20	17	17
DK,NA	1	2	2	2	2	3	1	2	1	1	2	1	2
PURCHASE TIMING:													
Less than 2 years	7	9	8	7	8	9	7	8	10	8	8	6	7
2 years	25	25	23	25	24	24	26	25	25	24	23	24	26
3 years	13	8	12	10	12	12	12	11	11	6	12	13	13
4 years or more	13	11	10	13	11	10	13	17	17	15	20	18	16
Indefinite	1	2	1	2	1	2	2	1	2	1	2	2	2
DK,NA	2	2	4	*	6	2	4	5	3	5	4	3	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

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Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Fourth Quarter Survey
October-December 1980

January 16, 1981

DIVERGENT TRENDS SLOW IMPROVEMENT IN CONSUMER SENTIMENT

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Heightened Concern with Interest Rates	9
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ATTACHMENTS:

October-December 1980 Tables and Charts

The fourth quarter 1980 surveys included 2,063 interviews, conducted between October 1 and December 30, 1980.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Highlights

- ** In the October-December 1980 surveys, the Index of Consumer Sentiment was 72.1, up 4.3 Index-points from the third quarter 1980 surveys, and 10 Index-points above the fourth quarter 1979 surveys.

- ** Among families with incomes of $20,000 and over, the Index figure was 75.3, up 3.1 Index-points from the third quarter 1980 surveys, and 8.6 points above the year-earlier reading.

- ** In the fourth quarter 1980 surveys, business conditions were expected to improve rather than to worsen in the year ahead by a two-to-one margin (34 versus 17 percent). This represents a complete reversal in opinion from a year ago when the economy was expected to worsen rather than to improve by a two-to-one margin (36 versus 15 percent). When asked to explain why they thought business conditions would change, one-in-four consumers mentioned the presidential election and expected changes in government economic policy by the incoming Reagan administration.

- ** Although bad times were expected in the economy as a whole during the next 12 months by over half of all respondents (52 percent), this represents a large improvement from the second quarter 1980 surveys when more than three-in-four expected bad times (78 percent).

- ** Interest rates were expected to increase by 51 percent of all families in the fourth quarter 1980 surveys, up from 38 percent in the third quarter. In the fourth quarter 1980 consumers expected price increases during the next year to average 9.3%, up from 8.5% in the third quarter, and below the 10.3% recorded a year earlier.

- ** Following rapid improvement at mid-year, favorable house buying attitudes among families with incomes of over $20,000 fell to 30 percent in the fourth quarter, down sharply from 48 percent in the third quarter 1980, and below the 35 percent recorded a year earlier. The major reason for this decline has been the resurgence of concern over high interest rates and tight credit conditions.

* * *

Although the fourth quarter 1980 surveys recorded an improvement in consumer sentiment, it was small and masked divergent trends in attitudes and expectations. The rapid improvement in expected business conditions was due to the hope of an improved economy under the Reagan administration, not on actual improvement, while evaluations of current market conditions have grown less favorable due to tight credit conditions. Given recent increases in interest rates, and the ephemeral nature of the presidential honeymoon, it is likely that consumer sentiment will follow a volatile path during the coming months. The data suggest that consumer sales will improve during the year ahead, but the expansion will be cautious and responsive to changes in credit conditions. At this time, it is not so much a matter of consumer willingness to purchase as consumer inability to purchase, especially in terms of credit conditions. The potential tax cut coupled with lowered interest rates in 1981 would greatly strengthen the path of recovery.

Personal Finances Strained

Consumer evaluations of their current financial situation grew less favorable at year end 1980, reversing nearly half of the improvement recorded since mid year. Among families with incomes of $20,000 or more, the proportion who reported that their financial situation had worsened increased to 42 percent in the fourth quarter, up from 32 percent in the third quarter, and just below the 44 percent recorded in the second quarter 1980 surveys. When asked to explain why their financial situation had worsened, inflation was more frequently mentioned as the prime cause -- by 43 percent of all high income families in the fourth quarter 1980 surveys, up from 33 percent in the third quarter. Fewer families mentioned that they had received income increases in the fourth quarter (37 percent) than in the third quarter of 1980 (43 percent).

Overall, consumer evaluations of their current financial situation have remained near record low levels, with the fourth quarter 1979 and fourth quarter 1980 surveys yielding nearly identical readings. In contrast, consumers more frequently expected their personal financial situation to improve in the next 12 months in the fourth quarter of 1980 than a year earlier, despite a small decline in favorable expectations at year end. Among all families, 28 percent expected to be better off financially in a year, down from 30 percent in the third quarter, but above the 23 percent recorded in the fourth quarter 1979 surveys. The cyclical low in personal financial expectations was reached more than a year ago, in the second quarter of 1979. At that time, and throughout the following year, proportionately more consumers expected to be worse off rather than better off financially during the year ahead. Personal financial expectations were favorable on balance in the second half of 1980, when consumers more frequently expected their financial situation to improve rather than worsen in both the third and fourth quarter surveys.

Increases expected in nominal family income during the next 12 months remained largely unchanged from comparable year earlier readings. Among families with incomes of $20,000 and over, 36 percent expected their family income to increase by 10% or more in both the fourth quarter 1979 and fourth quarter 1980 surveys. The maintenance of nominal income expectations at relatively high levels, coupled with a slight decline in price expectations, has resulted in more favorable real income expectations. Among families with incomes of $20,000 and over, the proportion who expected real income declines fell from 48 percent in the first quarter to 39 percent in the fourth quarter 1980 surveys.

Improvement Expected in Business Conditions

Consumer evaluations of current business conditions have improved significantly over the record second quarter 1980 lows, and now stand nearly identical to year earlier readings. Nonetheless, the majority of all respondents (67 percent) still believed that the economy had worsened during the past year in the fourth quarter 1980 surveys. Among families with incomes of $20,000 or more, the proportion who reported that current business conditions were worse than those of a year earlier fell to 70 percent in the fourth quarter of 1980, down from 80 percent in the third quarter, and 90 percent in the second quarter 1980 surveys. Despite this improvement, consumer evaluations of current business conditions remained near record low levels. By more than a two-to-one margin, respondents have continued to report hearing more news of unfavorable rather than favorable changes in business conditions. In comparison with the third quarter, fewer respondents mentioned news of spreading unemployment in the fourth quarter 1980 surveys, while high interest rates and tight credit conditions were mentioned more frequently.

Consumers more frequently expected improvement in business conditions during the year ahead in the fourth quarter 1980 surveys; this represents a significant improvement from the cyclical low recorded in the second quarter of 1979. Among families with incomes of $20,000 or more, 40 percent reported that they expected business conditions to improve during the year ahead, up from 34 percent in the third quarter of 1980, and 13 percent in the second quarter 1979 surveys. By year end 1980, business expectations were nearly the reverse of the cyclical low level: whereas in the second quarter of 1979, business conditions were expected to worsen rather than improve by a margin of 43 to 13 percent, by the fourth quarter of 1980 high income families more frequently expected business conditions to improve rather than worsen by the similar margin of 40 to 16 percent. When asked to explain why they expected business conditions to change, respondents much more frequently mentioned the presidential election and changes in government economic policy in the fourth quarter of 1980 (31 percent) than in the third quarter of 1980 (17 percent), or one year earlier (12 percent). In comparison with year earlier readings, fewer high income families mentioned that they expected business conditions to worsen because of expected inflation in the fourth quarter of 1980 (10 percent) than in the fourth quarter of 1979 (28 percent).

Although bad times were still expected in the economy as a whole during the next 12 months by half of all respondents in the fourth quarter 1980 surveys, this represents a large improvement from the second quarter 1980 surveys when more than three-in-four respondents expected bad times. Moreover, evaluations of the short-term business outlook were more favorable in the fourth quarter of 1980 than a year earlier. Among all families, 52 percent expected bad times financially in the economy as a whole during the next 12 months, down from the peak of 78 percent recorded in the second quarter 1980, and below the year earlier reading of 69 percent. The recent improvement in evaluations of the short-term business outlook can be partially traced to improvements in unemployment expectations. In the fourth quarter 1980 surveys, 31 percent of all families expected unemployment to increase during the next 12 months, down from 46 percent in the third quarter, and 66 percent in the second quarter 1980 surveys. Compared with a year earlier, when unemployment was expected to increase by 57 percent with just 7 percent who expected declines, the balance of opinion in the fourth quarter of 1980 still pointed toward increasing unemployment but by the smaller margin of 31 to 21 percent.

A significant improvement was also recorded in long-term business expectations in the fourth quarter 1980 surveys. Among all families, 46 percent expected bad times financially in the economy as a whole during the next five years, down from 59 percent in the third quarter, and 65 percent a year earlier. This represents the first quarter in more than two years in which less than the majority of the survey respondents reported unfavorable long-term business expectations.

Impact of Presidential Election

In the November and December post-election surveys, respondents were asked whether and for whom they had voted in the presidential election. As shown in Table 1, about two-thirds of all respondents reported that they had voted, and among those voting, the survey results were nearly identical to the national election results. Respondents who voted for Reagan were much more optimistic than Carter voters. Among Reagan voters, the Index of Consumer Sentiment was 83.6, 18.3 Index points above the 65.3 recorded among Carter voters (see Table 2, right side panel). Reagan voters were much more optimistic about expected changes in both personal finances and for the economy in general in both the near and longer terms. While only small differences in assessments of their current financial situation or in assessments of the current shape of the economy were reported. Reagan voters were much more likely to rate

TABLE 1

THE PRESIDENTIAL VOTE

Candidate Respondent Voted for:	November-December 1980 Surveys		National Election Results
	All Respondents	Voters	
Carter	26%	40%	41%
Reagan	33	51	51
Others	5	9	8
Didn't vote	27		
Not ascertained	9		
Total	100%	100%	100%
Cases	1377	881	

The questions were: "Now two questions about the election. We often find that a lot of people aren't able to vote because they aren't registered, or they don't have time. How about you--did you vote in the November election?" (IF YES) "Who did you vote for in the presidential election?"

TABLE 2

RELATIONSHIP BETWEEN PRESIDENTIAL VOTE AND CONSUMER SENTIMENT

	Candidate Respondent Voted for:					
	1976 Election			1980 Election		
	Carter	Ford	Difference	Reagan	Carter	Difference
Index of Consumer Sentiment	91.1	84.9	+6.2	83.6	65.3	+18.3
Personal Finances						
Compared with year earlier	96*	104	-8	87	80	+7
Expected during next year	120	109	+11	124	104	+20
Business Conditions						
Compared with year earlier	112	131	-19	51	48	+3
Expected during next year	151	111	+40	140	107	+33
Expected next five years	121	96	+25	116	63	+53
Confidence in Government's Current Economic Policy	74	109	-35	37	74	-37

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*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

government economic policy as poor. Differences in voter preferences among demographic subgroups are shown in Table 3. In general, few large or significant differences were found across the various demographic groups, although Reagan voters did have higher incomes, and were more likely to be male. Only small differences were noted across age subgroups.

The favorable impact on consumer attitudes and expectations stemming from Reagan's election is characteristic of the presidential honeymoon. In the last two presidential elections, those who voted for the winning candidate had more optimistic economic expectations than respondents who voted for the losing candidate (Table 2). Although the margin of difference was larger in Reagan's 1980 election than in Carter's 1976 election victory, the same pattern of differences was present in both elections. Carter voters in 1976 and 1980 Reagan voters were more optimistic about their personal financial outlook as well as for the economy in general. And in both elections, those who voted for the losing incumbent rated the incumbent's economic policies significantly more favorably than those who voted for their winning opponents.

The fourth quarter 1980 surveys recorded the lowest level of confidence in government economic policy under the Carter administration. Among all families 46 percent rated government economic policy as poor, up from 44 percent in the third quarter, and 41 percent a year earlier.

Respondents were also asked whether they expected tax cuts during the next year. In the October survey, prior to the election, just 25 percent expected a tax reduction. In the post-election November survey, the proportion who expected a tax reduction nearly doubled, and stood at 46 percent. The much more widespread expectation of a tax reduction was related to more optimistic expectations about business conditions, but not personal finances (see Table 5). Although attitudes toward buying conditions were somewhat more favorable among those who expected a tax reduction, the margin was small and largely insignificant.

TABLE 3

PRESIDENTIAL VOTE PREFERENCES AMONG DEMOGRAPHIC SUBGROUPS

	Candidate Respondent Voted for:			
	Carter	Reagan	Others	Total
Family Income				
Less than $10,000	48%	37%	15%	100%
$10,000-14,999	45	48	7	100%
$15,000-19,999	45	49	6	100%
$20,000-24,999	37	55	9	100%
$25,000-34,999	28	63	9	100%
$35,000 and over	33	61	6	100%
Age				
18-24	37	53	10	100%
25-34	41	45	14	100%
35-44	39	53	8	100%
45-54	43	55	2	100%
55-64	43	51	6	100%
65 or older	38	52	10	100%
Education				
Less than high school	46	47	7	100%
High school graduate	39	54	7	100%
Some college	32	60	8	100%
College graduate	41	48	11	100%
Sex				
Male	34	55	11	100%
Female	45	48	7	100%

TABLE 4

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980
Yes	25%	46%
No	64	42
Uncertain; don't know	10	11
Not ascertained	1	1
Total	100%	100%
Cases	685	694

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

TABLE 5

IMPACT OF EXPECTATIONS OF TAX CUT ON CONSUMER SENTIMENT (November 1980)

	Whether Respondent Expected Tax Cut During Next Year	
	Yes	No
Index of Consumer Sentiment	81.2	73.6
Personal Finances		
Expected during next year	120*	119
Business Conditions		
Expected during next year	138	113
Expected next five years	104	83
Market Conditions		
Household durables	118	108
Cars	61	62
Houses	100	95

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*Table entries are the proportion giving favorable replies minus the proportion giving unfavorable replies, plus 100.

Heightened Concern with Interest Rates

Interest rate expectations turned less favorable in late 1980, following strong improvements at mid-year. In the fourth quarter surveys, 51 percent of all families expected interest rates to increase during the year ahead, up from 38 percent in the third quarter, and somewhat below the year earlier reading of 57 percent. The second and third quarter 1980 surveys were the only two quarters during the past three years in which a majority of consumers did not expect interest rate increases during the year ahead.

Price expectations have remained largely unchanged during the past nine months, and remained somewhat below year earlier readings. In the fourth quarter 1980 surveys, consumers expected prices to increase on average by 9.3%, an insignificant difference from the 8.5% recorded in the third quarter, and 9.1% recorded in the second quarter 1980 surveys. Among families with incomes of $20,000 and over, 44 percent expected price increases to average 10% or more in the fourth quarter of 1980, down from 51 percent in the fourth quarter of 1979.

In the third quarter 1980 surveys, unemployment was judged the more serious economic hardship facing the nation by nearly as many respondents who judged inflation the more serious economic hardship. By the fourth quarter, the balance of concern shifted back toward inflation, with 54 percent citing it as the more serious economic hardship compared with 34 percent who selected unemployment.

Unfavorable Credit Conditions Stifle Buying

Consumer attitudes toward buying conditions grew less favorable at year end 1980 due to a resurgence of concern over high interest rates and tight credit conditions. The sharpest declines recorded in the fourth quarter 1980 surveys were in attitudes toward market conditions for houses, with favorable buying attitudes falling to 28 percent, from 39 percent in the third quarter, and 34 percent in the fourth quarter of 1979. Among families with incomes of $20,000 and over, sharper declines were recorded, with the proportion holding favorable buying attitudes falling to 30 percent in the fourth quarter, from 48 percent in the third quarter 1980, and 35 percent in the fourth quarter 1979 surveys. When asked to explain their opinions of buying conditions for houses, 74 percent of all high income families mentioned high interest rates or tight credit conditions, up dramatically from the 45 percent recorded in the third quarter 1980 surveys, but comparable with the 80 percent recorded in the second quarter 1980, and 75 percent recorded in the fourth quarter of 1979. Except for the temporary improvement in the third quarter 1980, the proportion who mentioned unfavorable credit conditions averaged more than 70 percent since the fourth quarter 1979. Unfavorable references to high interest rates and tight credit conditions have dominated market evaluations for houses since the fourth quarter 1979 (see Chart 1). References to unfavorable credit conditions have varied considerably during the past decade. The recent peak and trough levels in the proportion of families who mentioned high interest rates and tight credit conditions when evaluating the housing market were as follows:

	Percent Who Mentioned Unfavorable Credit Conditions	
	Low	High
1967-70	13%	56%
1972-74	11	65
1977-80	9	72

Attitudes toward buying conditions for cars remained unchanged in the fourth quarter from the third quarter 1980 surveys, at levels comparable with year-earlier readings. Among all families, 40 percent rated buying conditions for automobiles favorably in the fourth quarter of 1980, unchanged from the 40 percent recorded in the second quarter, and 42 percent in the fourth quarter 1979. Among families with incomes of $20,000 or more, favorable car buying attitudes have registered a small decline during the past year--42 percent in the fourth quarter, down from 45 percent in the third quarter 1980, and 49 percent in the fourth quarter 1979. The recent decline in favorable car buying attitudes was due to more frequent mentions of unfavorable credit conditions (Chart 2). Among high-income families, 22 percent mentioned high interest rates or tight credit conditions, up from 10 percent in the third quarter 1980 and 18 percent in the fourth quarter of 1979.

Summary Outlook

Although the fourth quarter 1980 surveys recorded an improvement in consumer sentiment, it was small and masked divergent trends in attitudes and expectations. The rapid improvement in expected business conditions was due to the hope of an improved economy under the Reagan administration, not on actual improvement, while evaluations of current market conditions have grown less favorable due to tight credit conditions. Given recent increases in interest rates, and the ephemeral nature of the presidential honeymoon, it is likely that consumer sentiment will follow a volatile path during the coming months. The data suggest that consumer sales will improve during the year ahead, but the expansion will be cautious and responsive to changes in credit conditions. At this time, it is not so much a matter of consumer unwillingness to purchase as consumer inability to purchase, especially in terms of credit conditions. The potential tax cut coupled with lowered interest rates in 1981 would greatly strengthen the path of recovery.

CHART 1

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

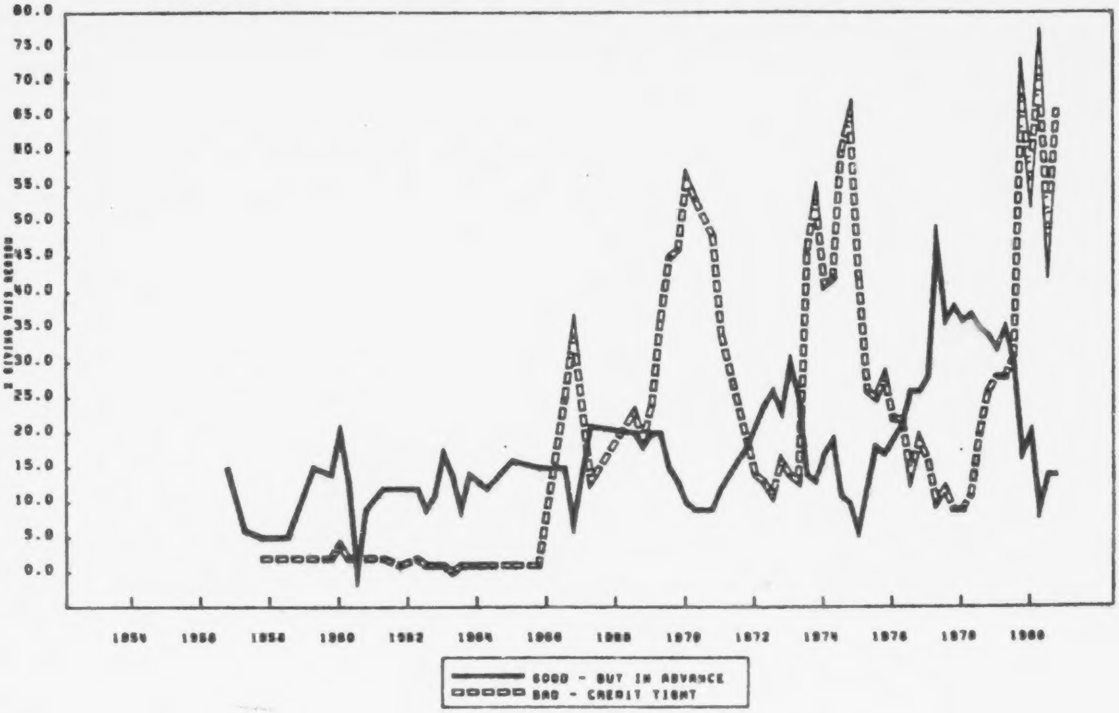
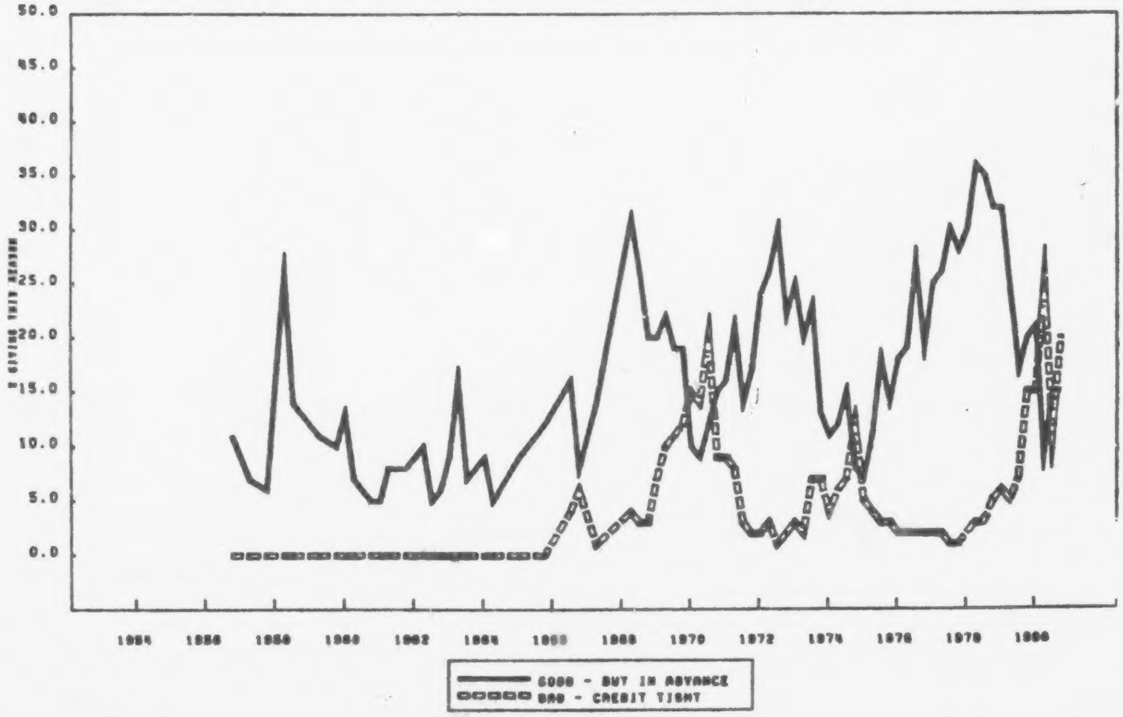


CHART 2

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



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TABLES AND CHARTS

MARCH 1981

The March 1981 Survey is the 128th in a longitudinal series of surveys of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior. This type of information is essential for forecasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions. One highlights recent changes in the quarterly observations for all families and for high-income families. The second chart gives historical data using quarterly results.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

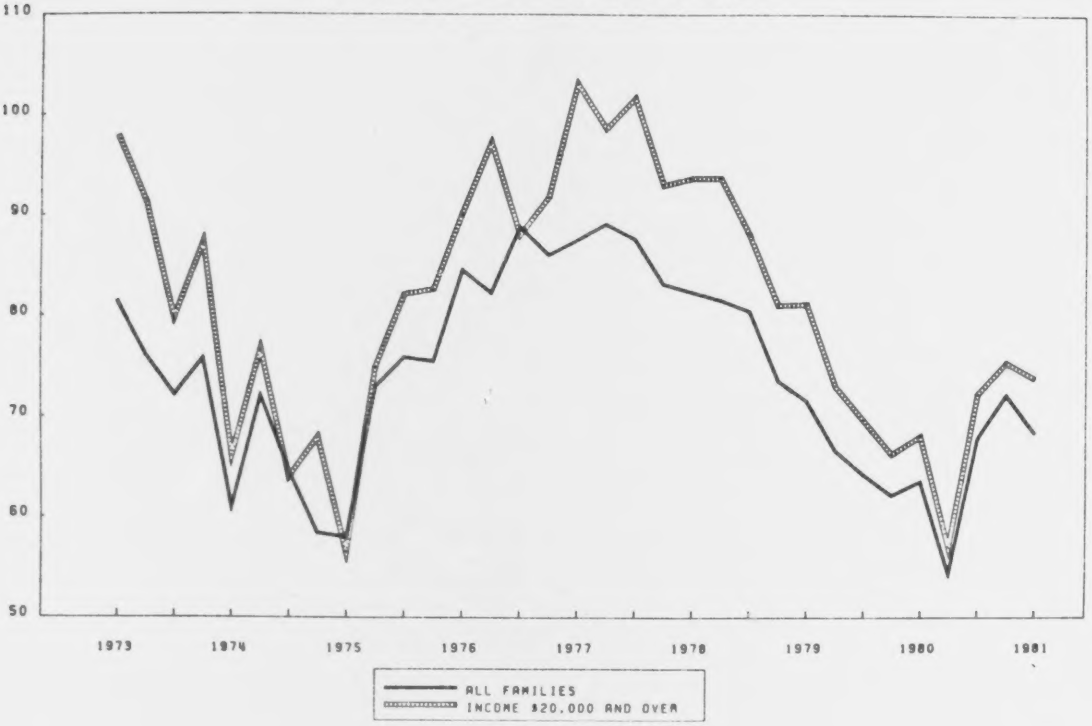

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

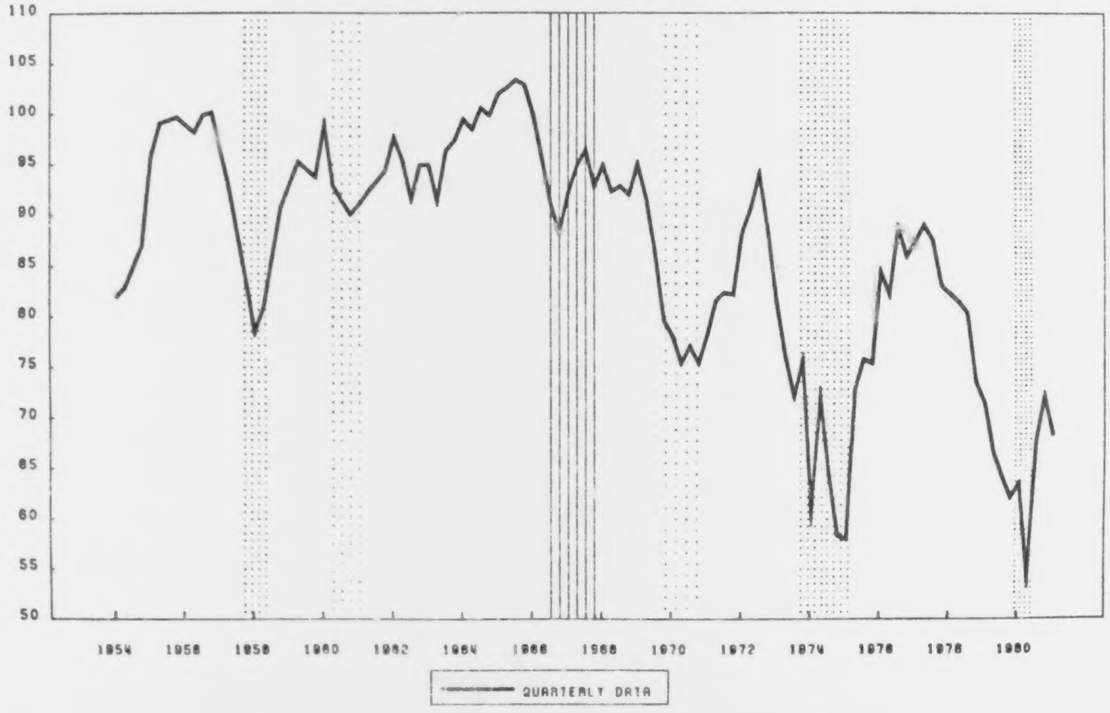

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
July-Sep. 1973	71.9	79.7	
Oct.-Dec. 1973	75.8	87.3	
Jan.-Mar. 1974	62.0	66.0	
Apr.-June 1974	72.1	76.6	
July-Sep. 1974	64.6	63.9	
Oct.-Dec. 1974	58.3	67.9	
Jan.-Mar. 1975	58.3	56.5	
Apr.-June 1975	72.8	74.9	
July-Sep. 1975	76.0	82.1	
Oct.-Dec. 1975	75.3	82.6	
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1

CHART 2A
THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

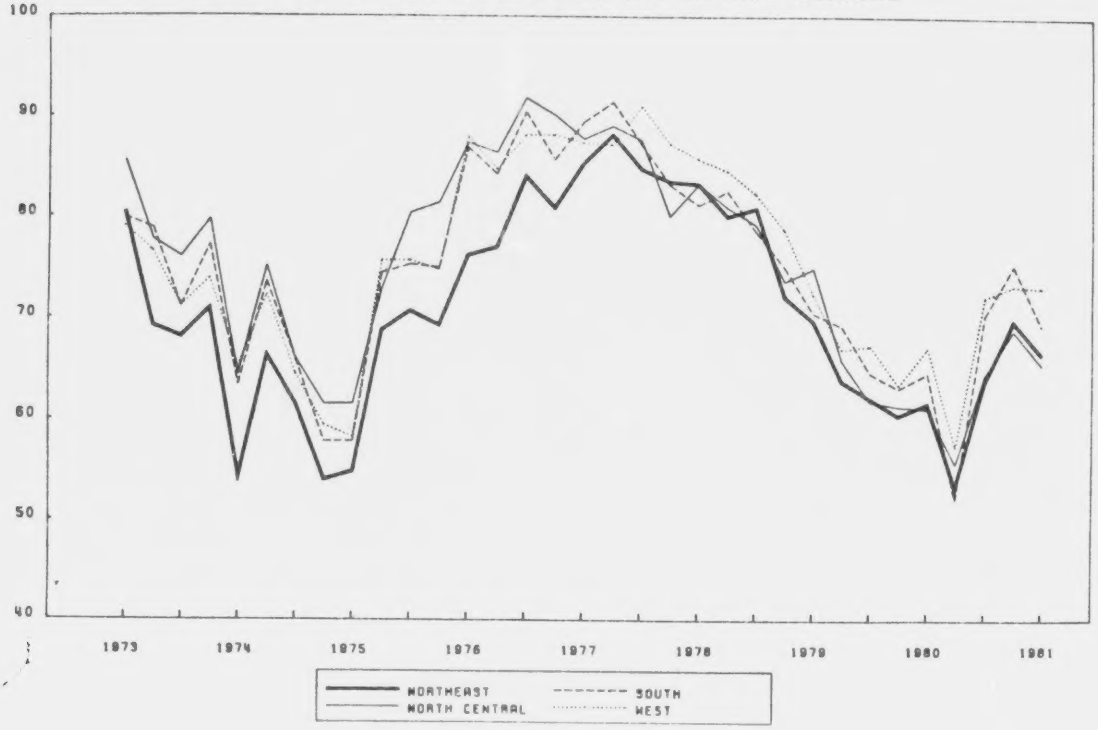

CHART 2B
THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

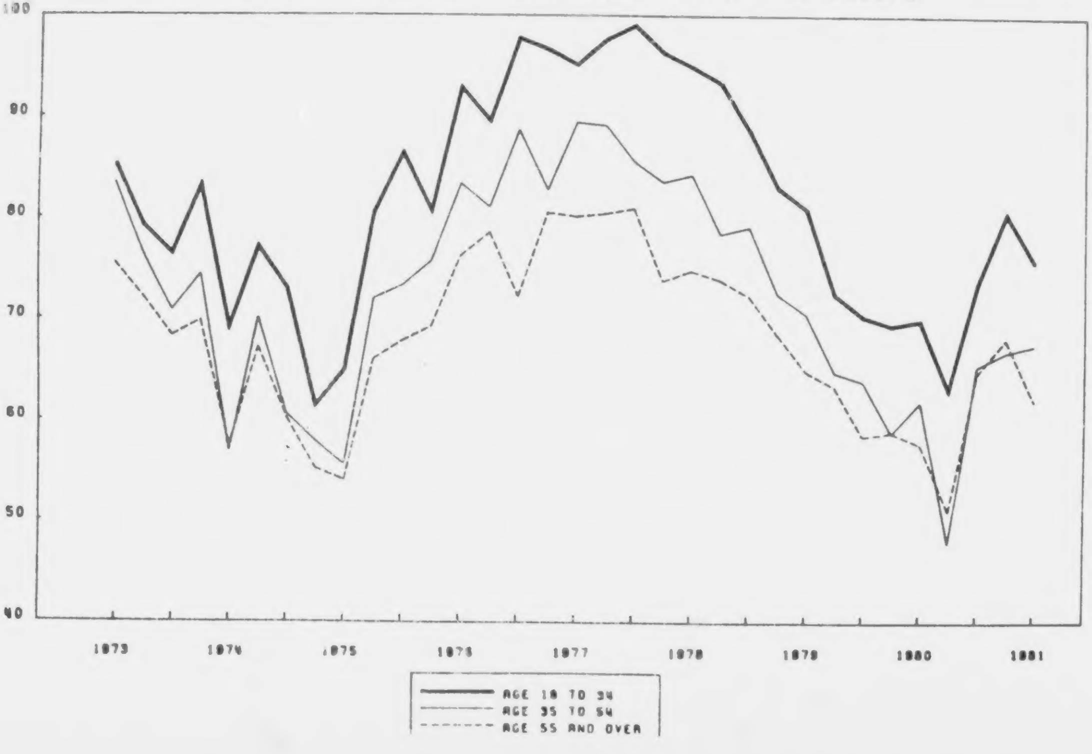

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
July-Sep. 1973	68.1	76.0	71.1	71.1	76.4	70.4	68.1
Oct.-Dec. 1973	70.9	79.7	77.1	74.0	83.1	74.3	68.3
Jan.-Mar. 1974	53.2	65.6	65.4	64.9	69.9	58.0	58.3
Apr.-June 1974	65.2	76.4	73.9	71.6	77.1	70.1	67.2
July-Sep. 1974	61.5	66.0	65.9	64.4	73.0	60.6	60.2
Oct.-Dec. 1974	54.0	61.5	57.8	59.4	66.0	58.5	55.2
Jan.-Mar. 1975	54.8	61.5	57.8	58.2	64.9	55.5	54.0
Apr.-June 1975	68.7	72.6	74.5	75.6	80.4	72.0	66.0
July-Sep. 1975	70.6	80.8	75.2	75.6	86.3	73.3	67.8
Oct.-Dec. 1975	68.2	81.3	74.9	74.7	80.6	75.6	69.3
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.8
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

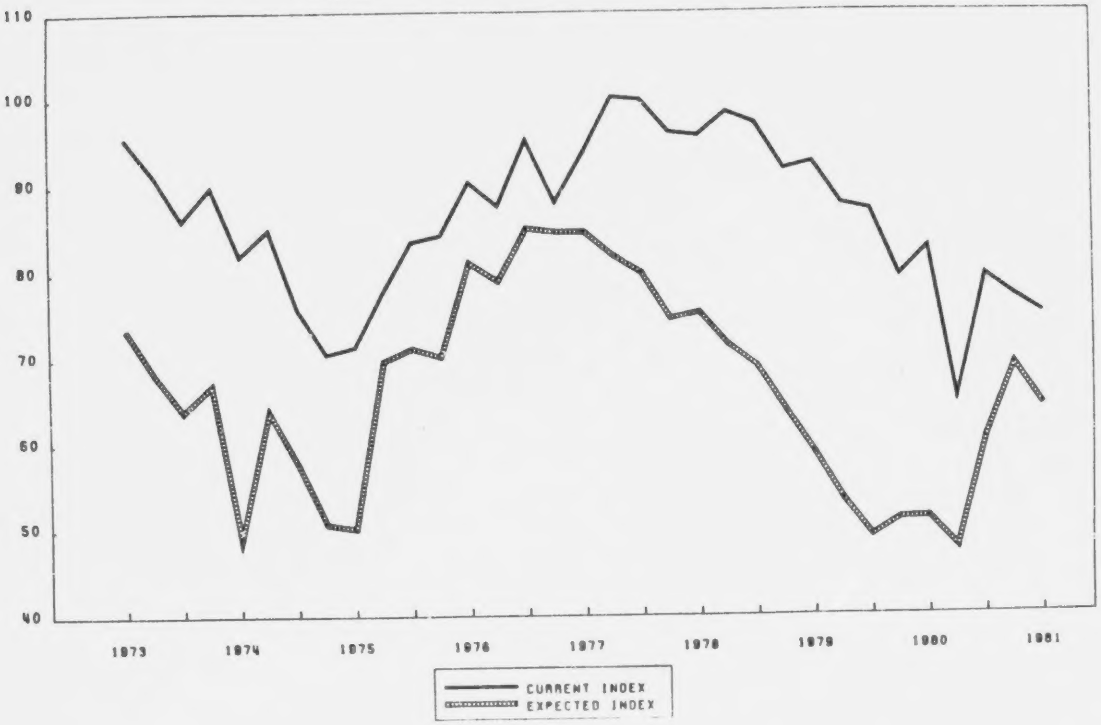

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

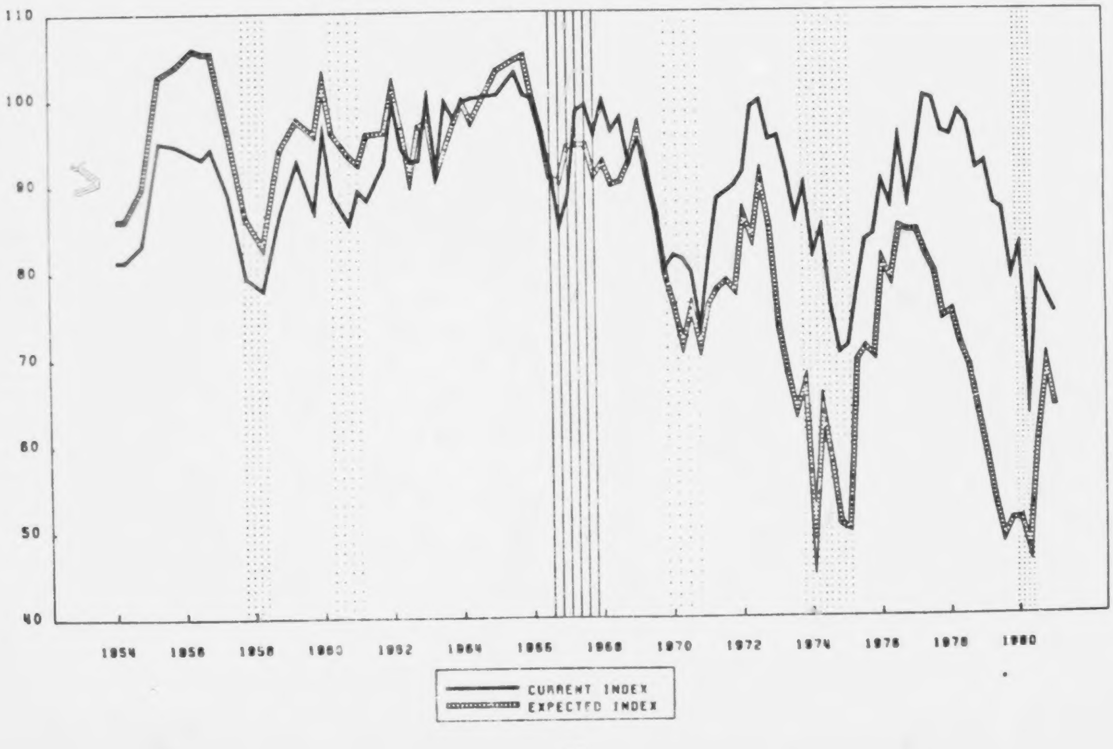

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
DATE OF SURVEY	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
July-Sep. 1973	93	106	76	66	127	85.8	63.0
Oct.-Dec. 1973	106	116	78	69	124	90.0	66.6
Jan.-Mar. 1974	88	99	45	46	122	82.1	49.1
Apr.-June 1974	101	113	75	65	116	84.9	63.9
July-Sep. 1974	85	102	63	60	108	75.6	57.5
Oct.-Dec. 1974	84	98	45	53	96	70.6	50.4
Jan.-Mar. 1975	80	103	45	48	100	70.9	50.2
Apr.-June 1975	87	118	92	66	111	77.7	69.7
July-Sep. 1975	93	109	97	76	120	83.4	71.2
Oct.-Dec. 1975	97	119	94	64	116	83.4	70.0
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0

(1) : SEE TABLE 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

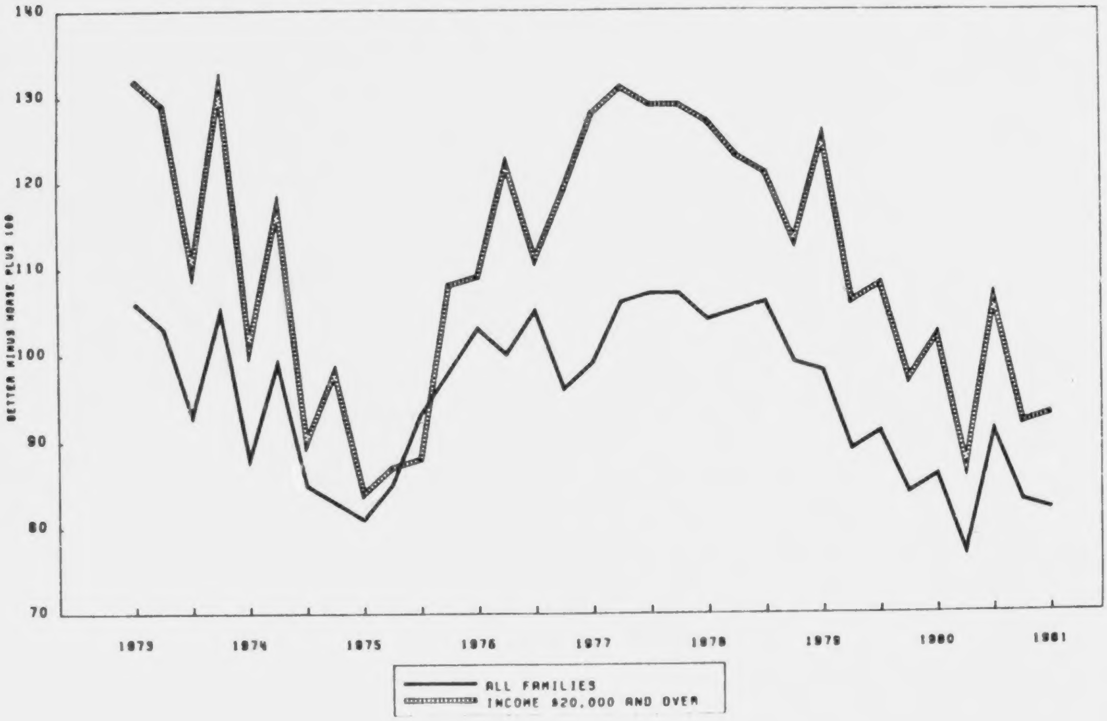

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

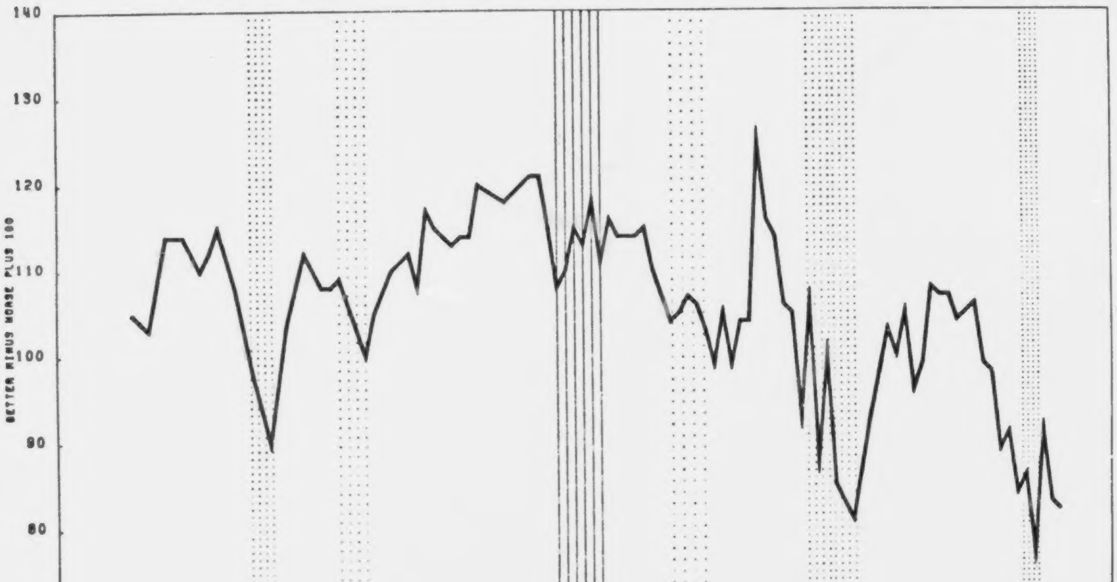

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
BETTER OFF	34%	38%	37%	35%	35%	32%	31%	28%	29%	25%	31%	28%	27%
SAME	34	29	30	29	28	25	28	26	27	26	27	27	28
WORSE OFF	31	32	32	35	37	42	40	45	44	48	40	44	45
DK,NA	1	1	1	1	*	1	1	1	*	1	2	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	50%	47%	47%	43%	50%	40%	41%	36%	39%	31%	38%	34%	34%
SAME	28	29	27	27	25	25	26	25	24	25	29	23	24
WORSE OFF	22	24	26	29	25	35	33	39	37	44	32	42	41
DK,NA	*	*	*	1	*	*	*	*	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

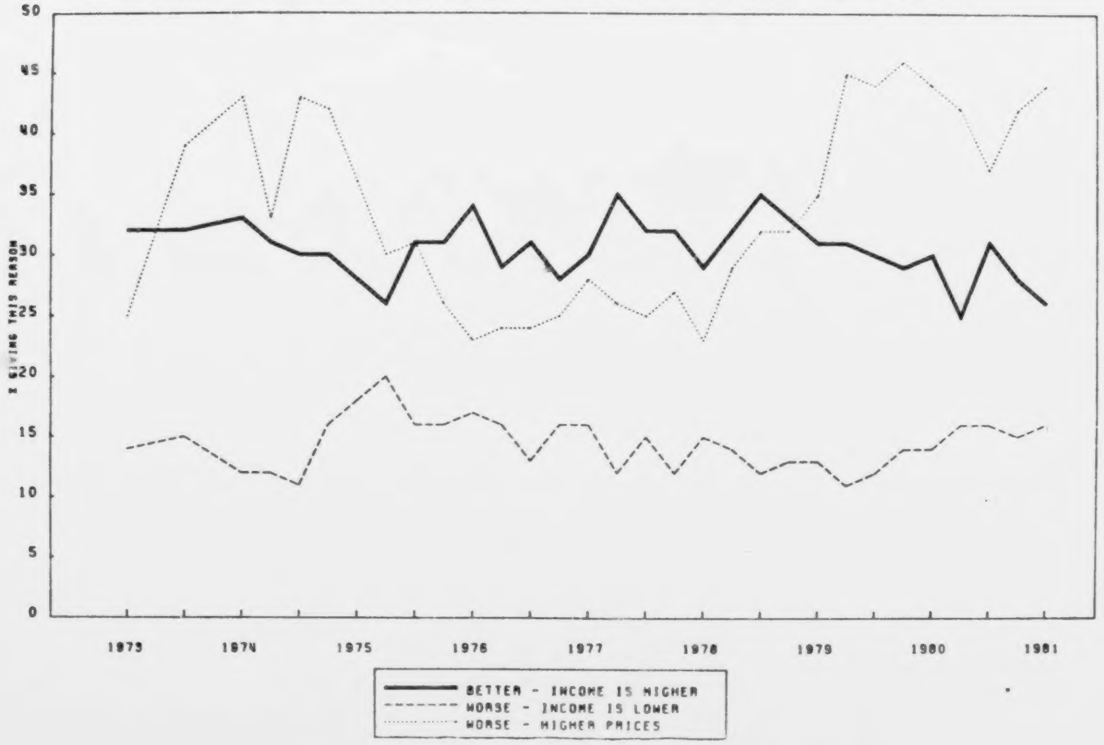

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	29%	32%	35%	33%	31%	31%	30%	29%	30%	25%	31%	28%	26%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	12	13	13	11	12	14	14	16	16	15	16
Higher prices	23	29	32	32	35	45	44	46	44	42	37	42	44
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	46%	46%	49%	44%	51%	45%	43%	41%	44%	35%	43%	37%	35%
WORSE OFF THAN YEAR AGO:													
Income is lower	10	10	7	9	8	8	9	10	11	13	12	12	14
Higher prices	23	29	33	33	32	45	41	45	42	42	33	43	42

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

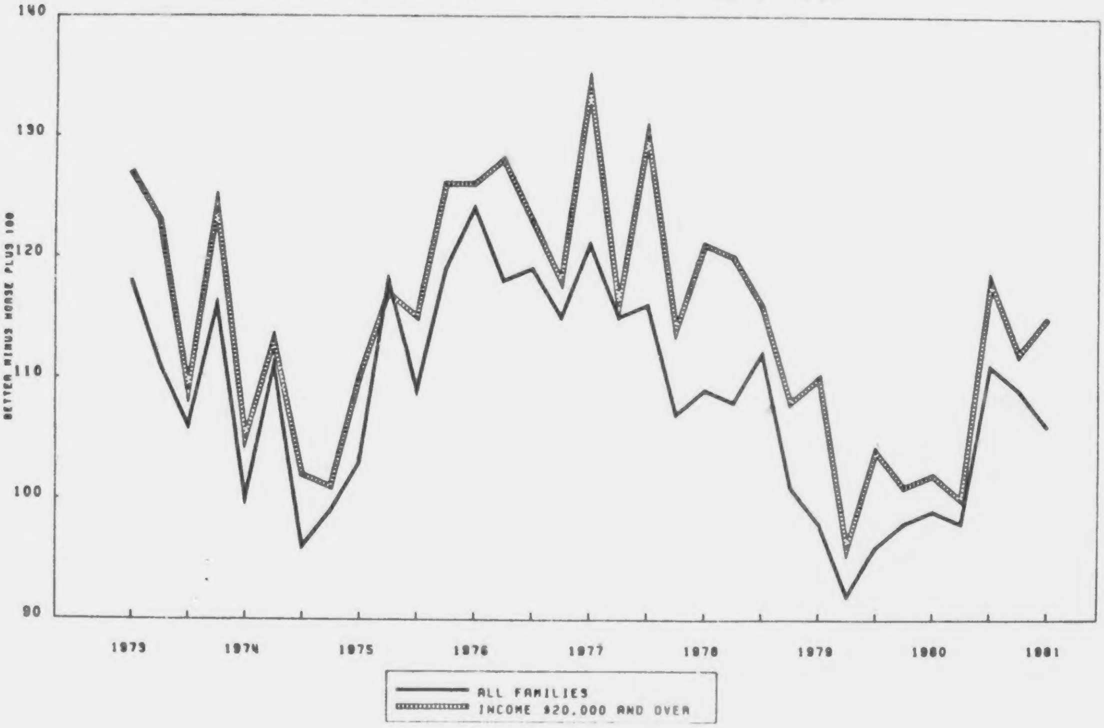

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

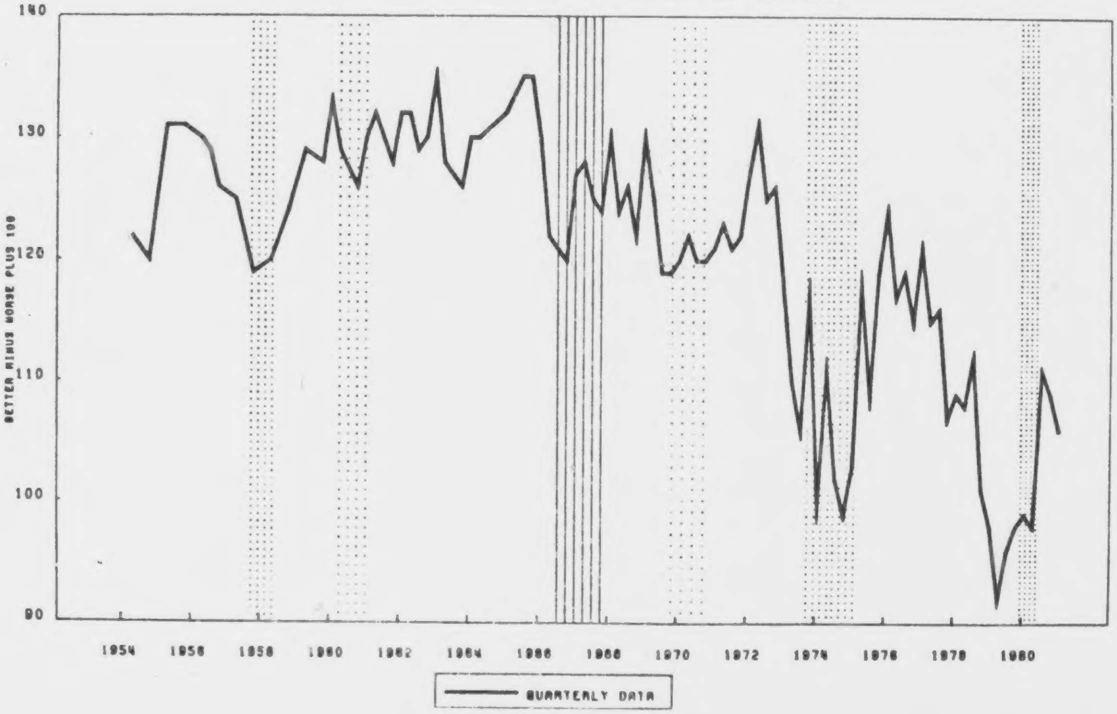

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
BETTER OFF	27%	28%	28%	24%	23%	21%	23%	23%	24%	26%	30%	28%	27%
SAME	50	49	51	46	48	47	48	48	46	43	47	46	47
WORSE OFF	18	20	17	23	25	29	26	26	25	28	19	20	21
DK,NA	5	3	4	7	4	3	3	3	5	3	4	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	34%	37%	34%	30%	30%	25%	27%	26%	25%	26%	35%	32%	32%
SAME	50	45	46	45	49	45	48	49	50	46	47	46	48
WORSE OFF	14	17	18	22	20	29	23	24	23	26	16	19	18
DK,NA	2	1	2	3	1	1	2	1	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

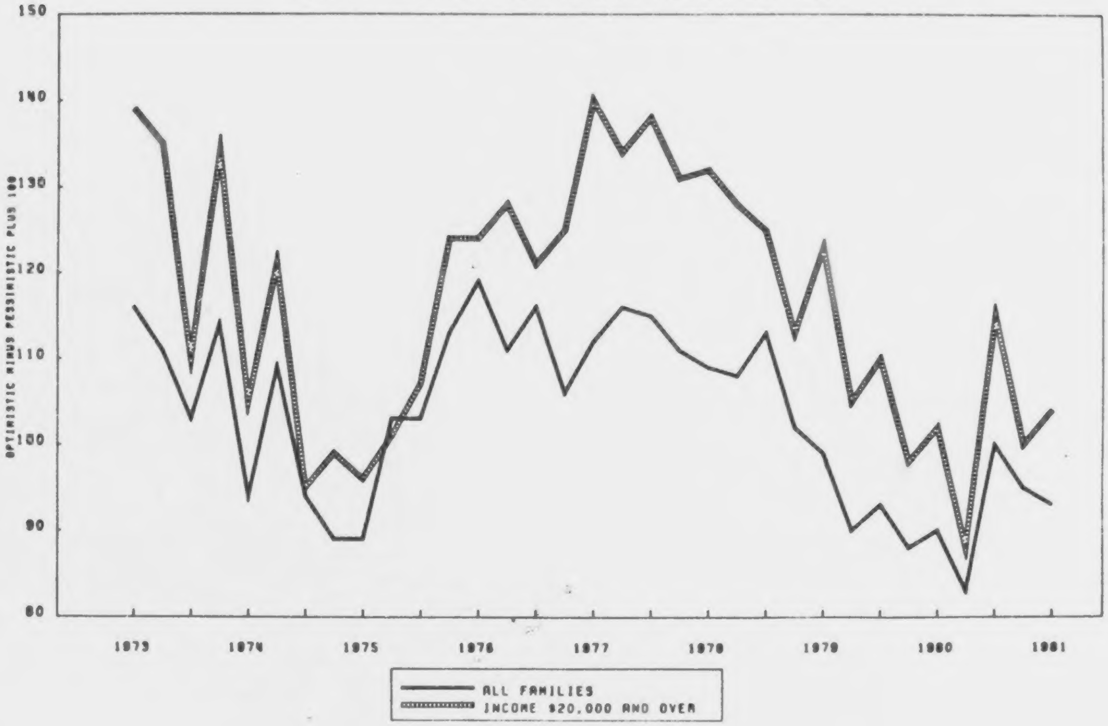

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

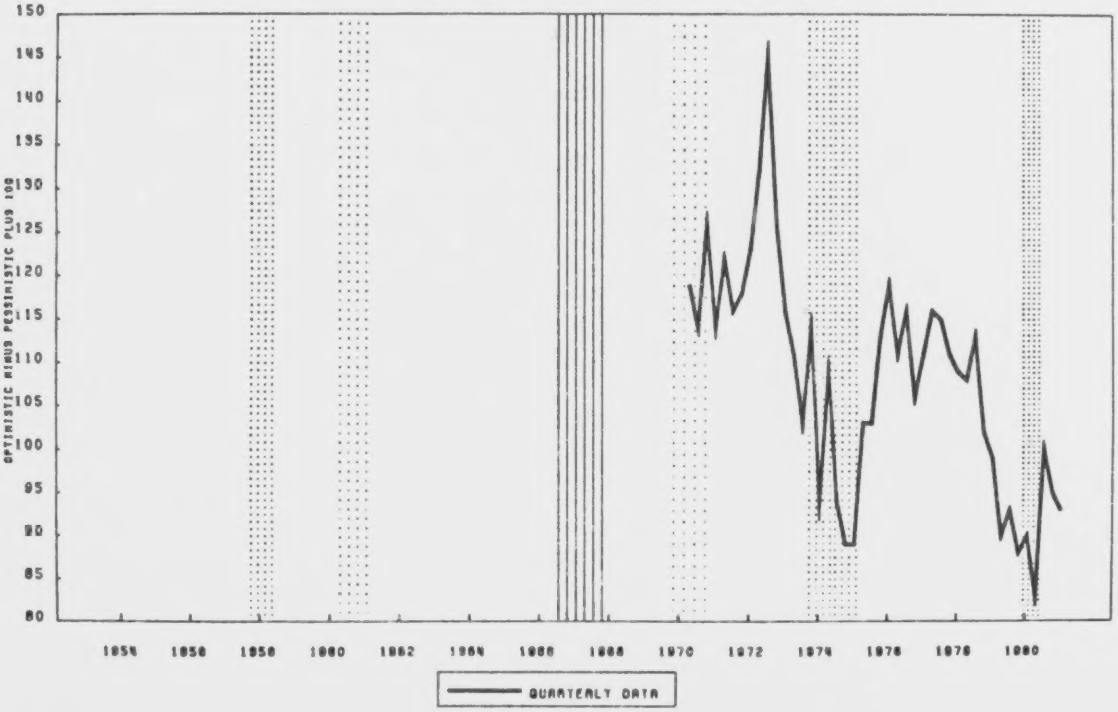

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	14%	16%	16%	14%	14%	11%	12%	11%	12%	10%	13%	11%	10%
Intermittant increase (b)	24	22	25	20	20	20	20	18	19	16	20	19	19
Remain unchanged (c)	19	18	18	17	17	15	16	15	14	13	15	14	15
Intermittant decline (d)	19	19	18	19	20	22	22	24	24	26	22	24	23
Continuous decline (e)	10	11	10	13	15	19	16	18	16	17	10	12	12
Mixed change (f)	9	11	8	10	9	9	11	11	11	15	15	14	15
DK,NA	5	3	5	7	5	4	3	3	4	3	5	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	24%	23%	20%	22%	16%	16%	13%	15%	12%	16%	15%	13%
Intermittant increase (b)	31	27	27	24	27	24	26	21	21	17	25	21	23
Remain unchanged (c)	17	16	16	14	15	13	15	15	14	13	16	10	12
Intermittant decline (d)	13	16	13	19	15	19	18	23	22	27	19	25	23
Continuous decline (e)	7	8	12	11	11	16	13	14	14	14	7	11	10
Mixed change (f)	9	8	8	8	8	11	10	12	12	15	15	14	16
DK,NA	2	1	1	4	2	1	2	2	2	2	2	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	5%	8%	5%	5%	6%	5%	5%	5%	6%	5%	6%	7%	7%
5%	7	9	10	9	10	7	7	8	8	7	9	8	8
6-9%	9	13	11	10	14	15	17	14	14	13	14	12	10
10-24%	13	16	18	14	16	18	19	19	20	24	20	23	20
25% or more	5	8	8	7	7	8	6	6	9	7	5	7	7
DK how much up	12	9	10	11	9	8	8	8	7	8	10	9	9
EXPECT SAME	33	25	26	31	25	26	27	28	24	23	21	22	23
EXPECT DOWN	11	7	9	9	10	9	8	8	10	11	13	9	12
DK,NA	5	5	3	4	3	4	3	4	2	2	2	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
EXPECT INCREASE:													
1-4%	8%	7%	5%	5%	7%	6%	4%	5%	6%	4%	6%	6%	7%
5%	10	11	14	10	12	8	9	9	8	10	9	9	10
6-9%	14	16	17	17	22	22	18	22	20	20	19	18	14
10-24%	25	29	27	18	27	23	29	28	26	29	28	29	30
25% or more	6	5	5	9	5	8	8	8	8	6	5	7	6
DK how much up	10	9	5	12	7	6	9	5	6	4	6	7	5
EXPECT SAME	16	16	19	21	13	18	15	17	17	15	12	13	16
EXPECT DOWN	9	7	8	7	6	8	7	5	8	12	13	10	11
DK,NA	2	*	*	1	1	1	1	1	1	*	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP DURING THE LAST YEAR

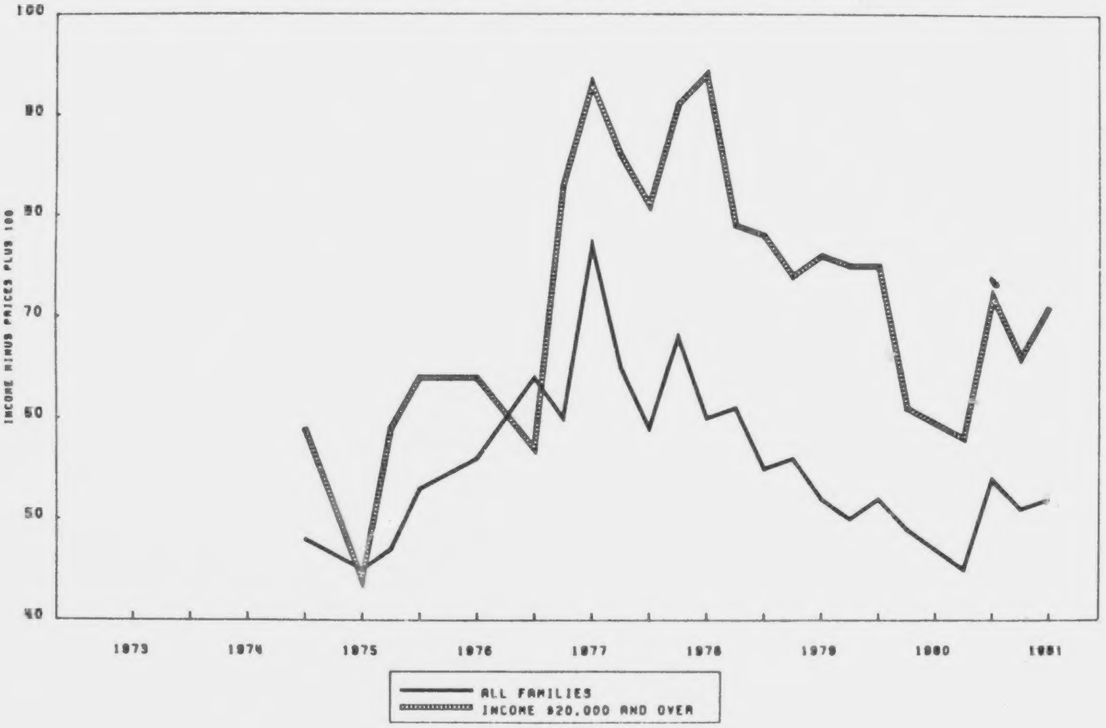

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
INCOME UP MORE	13%	15%	13%	11%	11%	11%	12%	12%	13%	10%	12%	12%	12%
INCOME UP SAME	31	27	29	31	27	25	25	23	27	23	28	26	26
PRICES UP MORE	53	54	56	55	59	61	61	63	59	65	59	60	60
DK,NA	3	4	2	3	3	3	2	2	1	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	27%	22%	21%	18%	22%	22%	22%	16%	17%	16%	20%	16%	20%
INCOME UP SAME	40	34	36	37	30	30	31	28	34	27	31	32	30
PRICES UP MORE	33	43	43	44	46	47	47	55	48	57	48	51	50
DK,NA	*	1	*	1	2	1	*	1	1	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
INCOME OR PRICES UP DURING THE NEXT YEAR

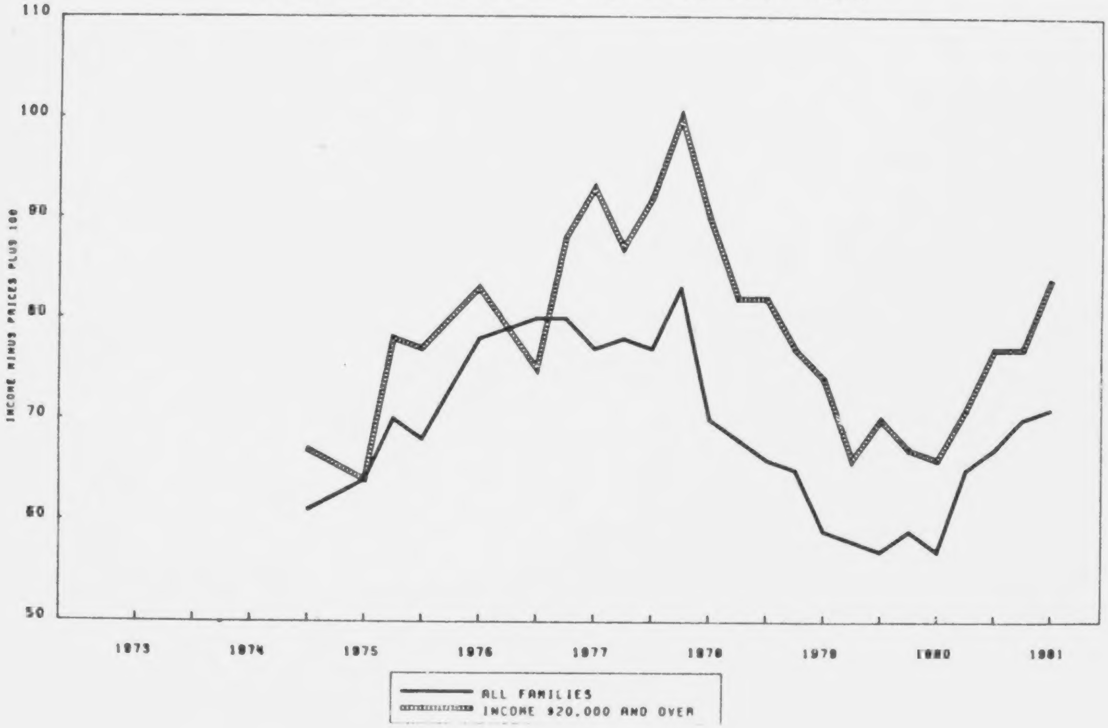

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

A. ALL FAMILIES

	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981
INCOME UP MORE	12%	12%	11%	11%	10%	10%	11%	10%	10%	13%	12%	14%	13%
INCOME UP SAME	42	39	39	37	35	33	33	35	34	37	39	40	40
PRICES UP MORE	42	44	47	47	51	52	52	51	53	47	45	43	42
DK,NA	4	5	3	5	4	5	4	4	3	3	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981
INCOME UP MORE	20%	19%	21%	17%	18%	15%	16%	14%	15%	15%	18%	16%	19%
INCOME UP SAME	46	42	40	41	37	35	37	39	36	41	39	43	43
PRICES UP MORE	32	37	38	40	44	49	46	46	48	43	41	39	36
DK,NA	2	2	1	2	1	1	1	1	1	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

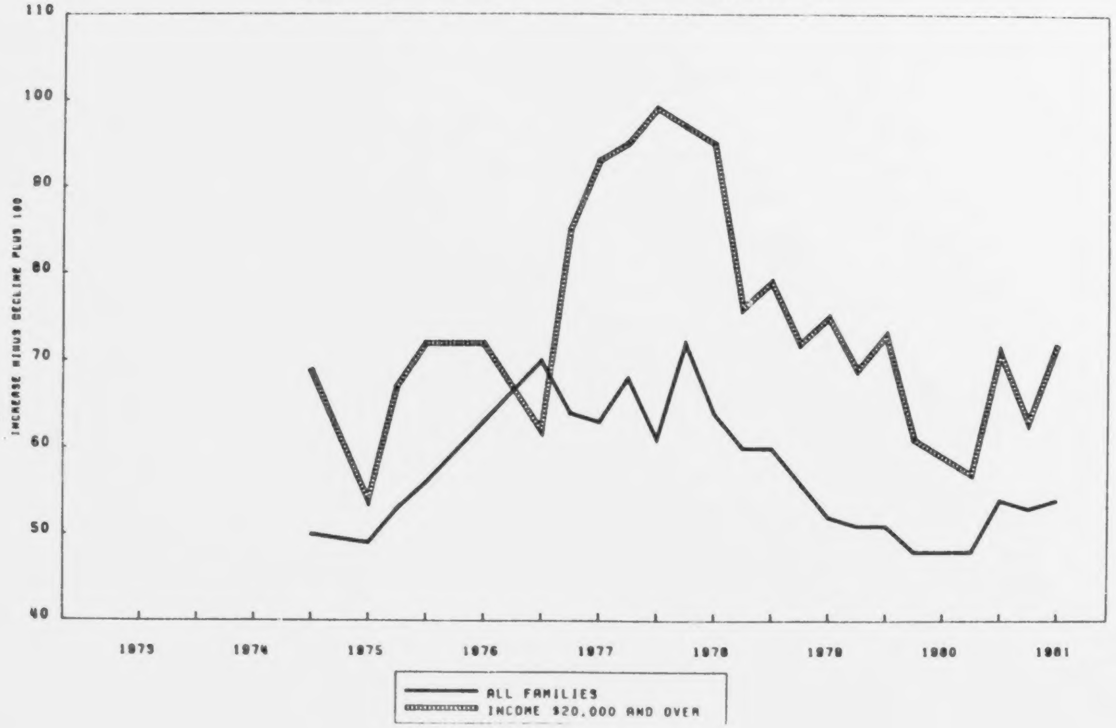

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	7%	8%	5%	5%	4%	4%	4%	4%	7%	4%	4%	6%	6%
Intermittant increase (b)	8	8	10	7	7	7	8	8	8	9	10	8	9
Remain unchanged (c)	21	17	18	19	18	15	15	14	16	13	16	16	16
Intermittant decline (d)	19	20	20	21	18	21	20	22	19	24	22	25	24
Continuous decline (e)	32	36	35	35	41	39	41	42	42	40	37	35	35
Mixed change (f)	5	4	6	5	6	7	7	6	6	6	6	6	5
DK,NA	8	7	6	8	6	7	5	4	2	4	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	15%	13%	9%	9%	11%	9%	9%	7%	10%	7%	9%	9%	11%
Intermittant increase (b)	15	10	14	12	12	11	14	10	9	10	15	8	12
Remain unchanged (c)	28	24	24	25	20	19	20	18	22	16	17	20	19
Intermittant decline (d)	14	17	15	18	17	17	18	22	18	25	20	25	22
Continuous decline (e)	21	30	29	31	31	34	32	34	34	34	31	29	28
Mixed change (f)	5	4	8	3	7	7	6	8	6	7	6	6	6
DK,NA	2	2	1	2	2	3	1	1	1	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

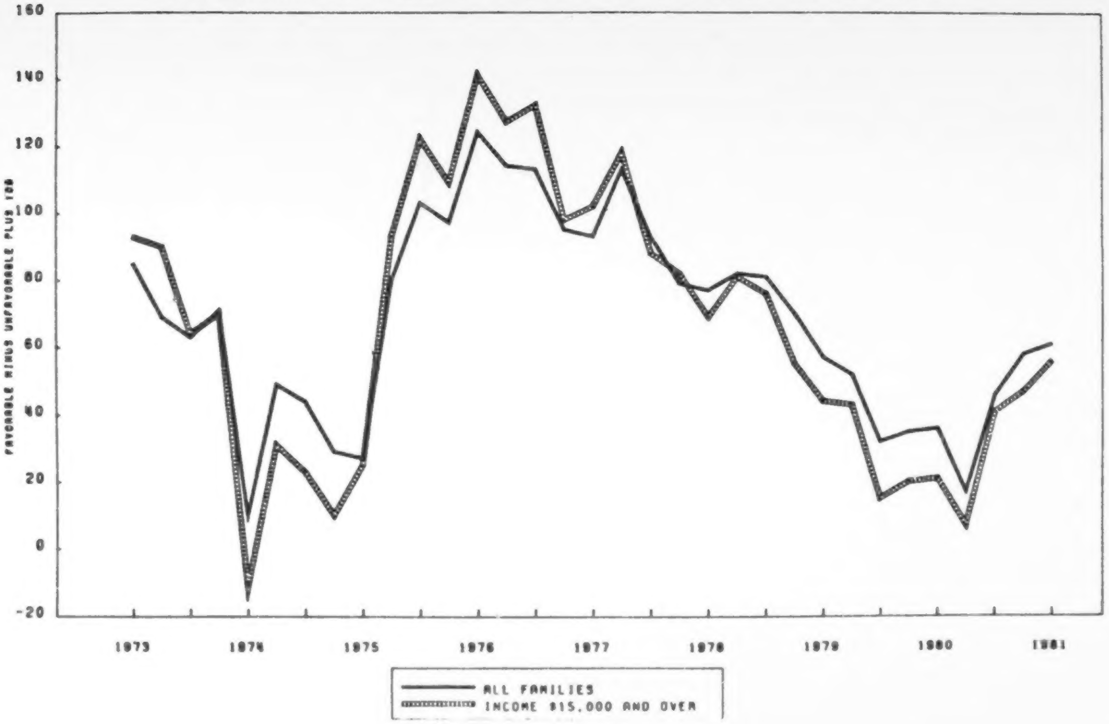

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

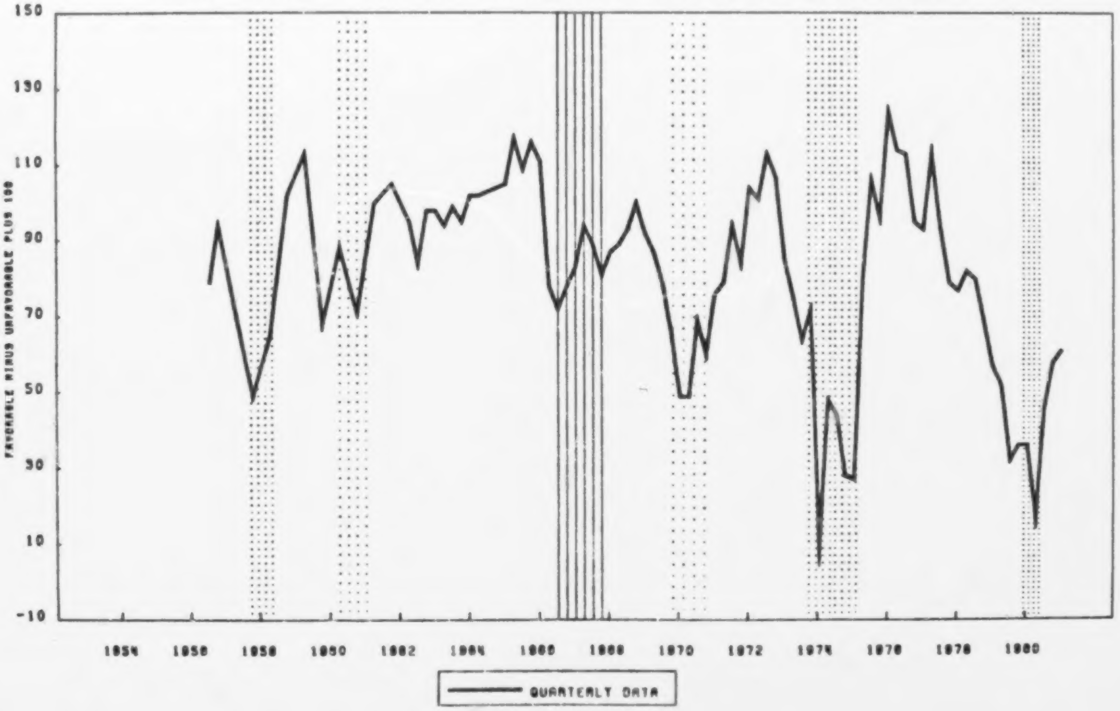

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
FAVORABLE NEWS	20%	25%	22%	18%	16%	16%	12%	12%	14%	12%	24%	24%	24%
UNFAVORABLE NEWS	43	43	42	49	59	64	80	76	78	94	79	66	63
NO MENTIONS	52	48	50	50	45	42	38	42	40	31	34	41	42
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	26%	35%	30%	20%	22%	22%	15%	16%	15%	15%	31%	29%	34%
UNFAVORABLE NEWS	57	54	55	65	78	79	100%	97	94	108	89	82	78
NO MENTIONS	39	36	37	39	31	30	26	29	31	23	26	30	30

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	2%	2%	3%	3%	1%	1%	1%	1%	1%	1%	1%	4%	7%
Employment	9	9	8	7	6	6	5	4	5	2	6	7	6
Higher consumer demand	2	2	2	2	2	1	1	1	1	1	2	2	1
Lower prices	1	*	1	*	1	1	*	1	1	1	1	1	1
Easier credit	*	*	*	*	*	*	*	*	1	4	7	1	3
UNFAVORABLE NEWS:													
Government; elections	3	4	5	3	5	3	3	3	3	3	3	3	5
Unemployment	11	9	10	10	11	12	18	18	17	37	33	22	18
Lower consumer demand	2	2	1	2	3	3	7	8	9	9	11	9	11
Higher prices	5	10	10	11	15	18	18	13	16	12	12	9	9
Tighter credit	2	3	4	7	6	3	5	14	13	16	6	13	8
Energy crisis	1	*	1	1	4	11	10	4	3	1	1	1	1
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	2%	1%	2%	4%	3%	2%	1%	1%	1%	2%	1%	5%	12%
Employment	9	13	12	7	7	8	6	5	5	3	6	9	8
Higher consumer demand	4	4	2	2	2	2	1	1	1	*	2	2	2
Lower prices	*	*	2	1	1	*	*	1	1	1	1	1	1
Easier credit	*	1	1	*	*	1	*	1	1	7	11	2	3
UNFAVORABLE NEWS:													
Government; elections	6	5	5	4	7	4	3	4	3	3	4	3	6
Unemployment	11	9	8	11	12	12	19	20	21	39	38	26	19
Lower consumer demand	3	2	1	2	3	4	10	10	12	12	13	11	13
Higher prices	6	14	12	13	20	22	21	15	18	12	9	9	10
Tighter credit	4	6	9	11	11	6	8	22	18	23	8	19	15
Energy crisis	2	*	2	1	7	14	12	5	3	1	1	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

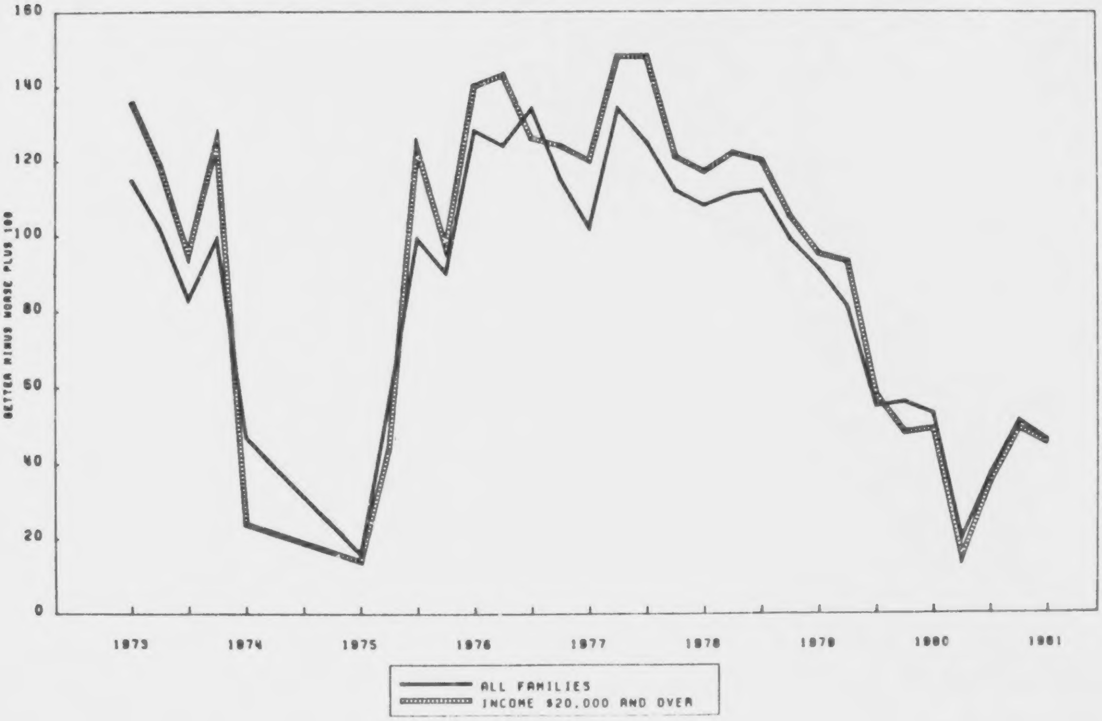

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

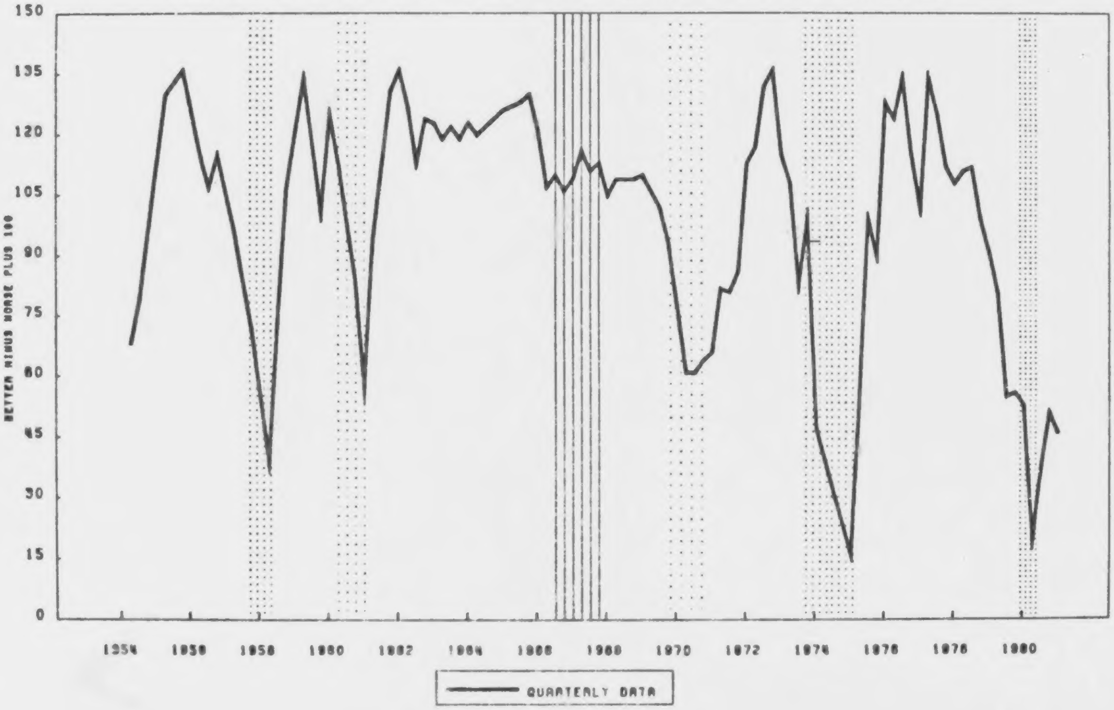

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TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
BETTER NOW	43%	46%	46%	38%	36%	32%	21%	20%	19%	7%	15%	19%	15%
SAME	18	16	15	19	15	14	10	12	12	6	7	11	14
WORSE NOW	35	35	35	39	45	50	66	65	66	86	77	67	69
DK,NA	4	3	4	4	4	4	3	3	3	1	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER NOW	49%	53%	52%	44%	39%	39%	23%	19%	18%	4%	14%	18%	16%
SAME	17	15	13	15	15	13	9	10	12	5	5	11	12
WORSE NOW	32	31	33	39	45	46	66	70	69	90	80	70	71
DK,NA	2	1	2	2	1	2	2	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

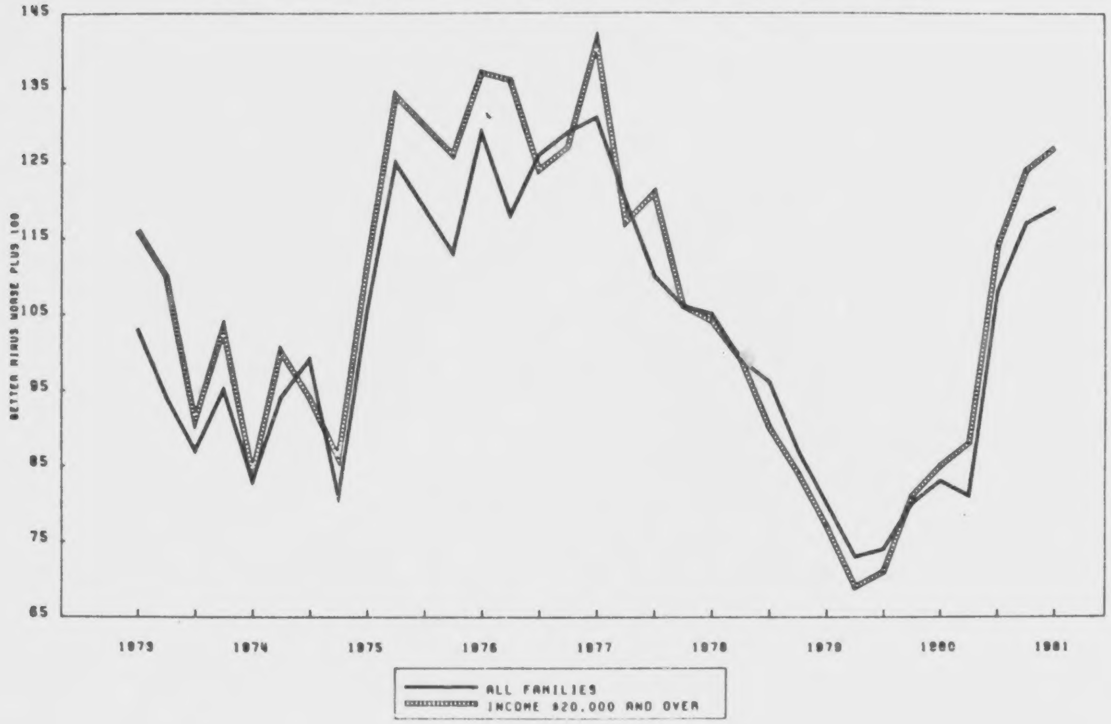

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

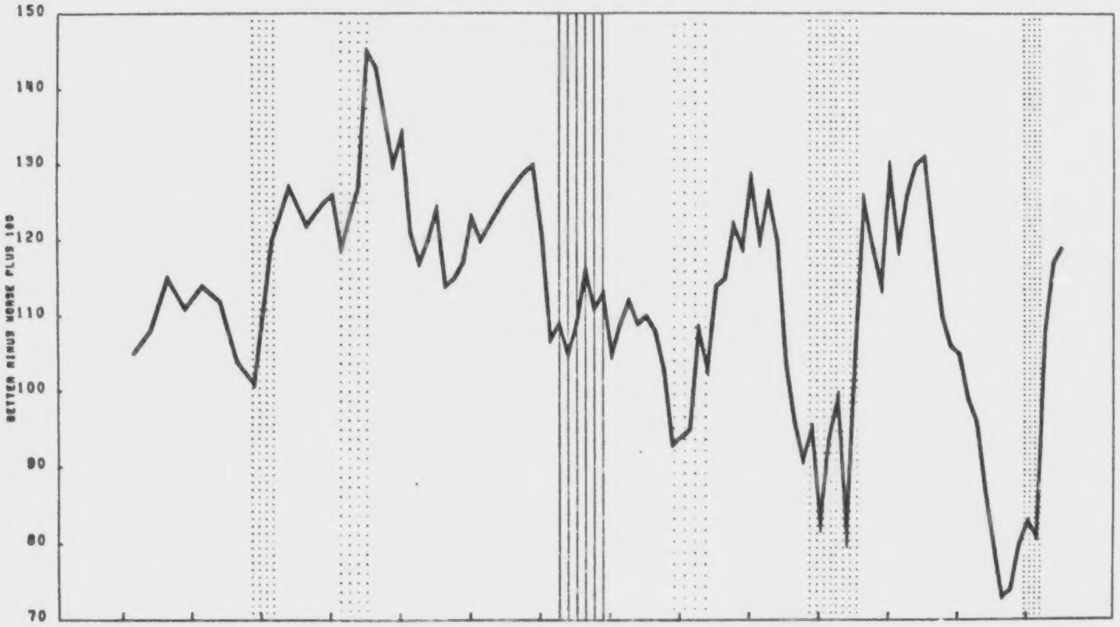

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
BETTER	24%	21%	19%	17%	14%	11%	13%	15%	17%	20%	29%	34%	37%
SAME	53	54	55	49	48	46	45	46	45	37	45	44	42
WORSE	19	22	23	29	34	39	39	36	35	39	22	17	18
DK,NA	4	3	3	5	4	4	3	3	3	4	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	23%	22%	19%	18%	15%	13%	15%	18%	19%	24%	34%	40%	42%
SAME	55	53	51	44	45	43	39	43	45	38	44	41	40
WORSE	19	23	29	34	38	43	45	38	35	36	20	16	15
DK,NA	3	2	1	4	2	1	1	1	1	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	6%	5%	7%	6%	5%	4%	6%	9%	11%	10%	15%	26%	33%
Employment	9	8	4	4	4	3	2	2	4	2	4	4	3
Higher consumer demand	4	3	4	3	3	4	3	2	3	2	3	3	2
Lower prices	1	1	2	3	2	1	1	2	1	3	2	3	2
Easier credit	*	*	*	*	1	1	*	2	1	3	3	2	3
UNFAVORABLE REASONS:													
Government; elections	8	8	13	8	12	9	9	8	13	10	9	9	8
Unemployment	6	6	7	5	5	5	9	9	5	12	8	6	6
Lower consumer demand	2	3	4	4	4	5	7	7	7	5	5	3	4
Higher prices	9	18	20	21	22	27	24	23	16	16	11	9	9
Tighter credit	*	1	2	4	2	3	2	7	3	7	2	4	3
Energy crisis	2	2	1	1	4	14	8	6	6	2	1	1	1
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	6%	5%	7%	6%	7%	4%	7%	12%	15%	11%	17%	31%	38%
Employment	9	9	5	2	3	2	3	1	4	3	5	5	3
Higher consumer demand	4	4	5	3	4	3	2	3	5	2	4	5	3
Lower prices	2	1	2	3	2	1	2	2	2	4	2	3	3
Easier credit	1	1	1	1	2	1	*	4	3	6	3	4	5
UNFAVORABLE REASONS:													
Government; elections	13	14	15	11	12	10	11	10	13	8	9	8	8
Unemployment	5	5	8	4	5	4	9	9	4	11	7	4	4
Higher consumer demand	2	3	5	4	5	5	7	7	6	5	6	4	5
Higher prices	13	24	18	21	27	31	27	28	21	15	10	10	7
Tighter credit	1	2	2	6	4	3	2	11	3	9	3	5	4
Energy crisis	2	1	1	1	6	16	12	6	5	3	1	1	2

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

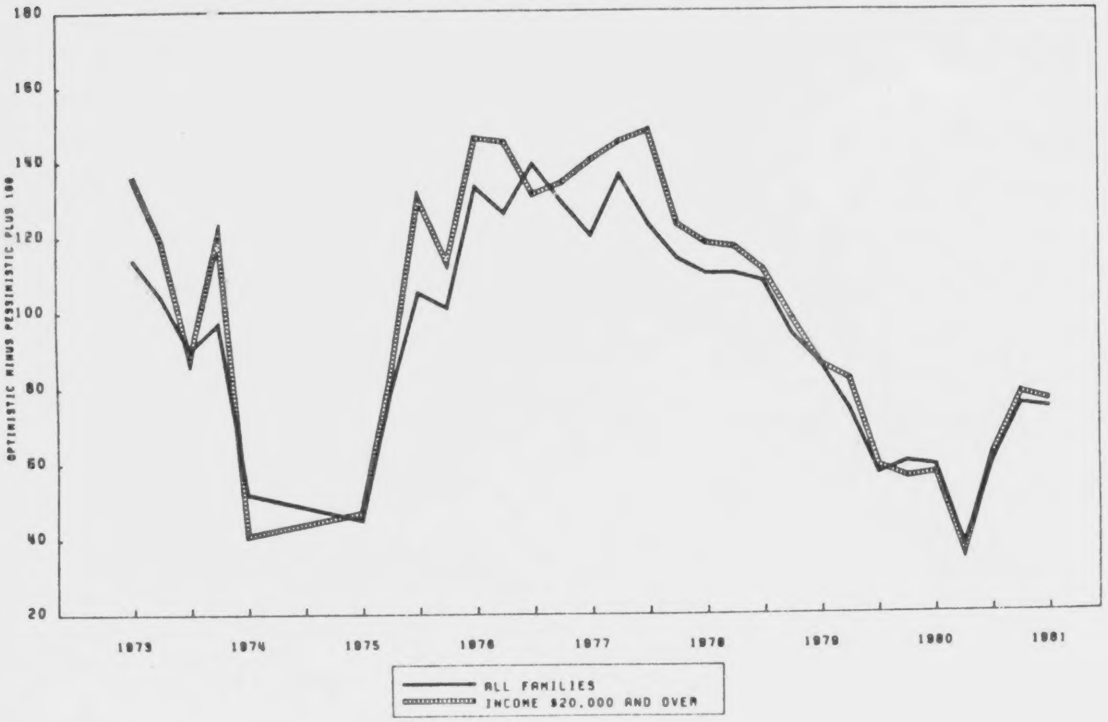

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

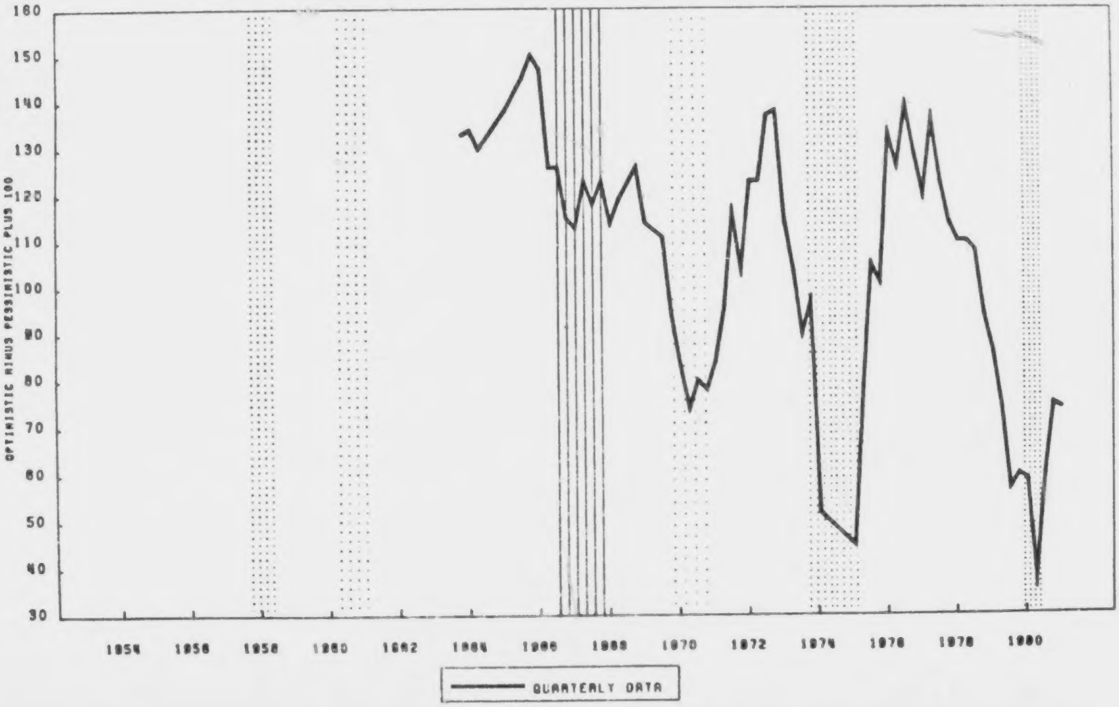

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	15%	14%	14%	10%	8%	7%	4%	5%	6%	2%	5%	8%	7%
Intermittant increase (b)	26	29	27	23	21	16	13	12	10	5	9	12	12
Remain unchanged (c)	12	10	10	10	9	9	5	7	7	2	3	5	7
Intermittant decline (d)	19	19	20	21	21	25	29	30	31	33	35	31	30
Continuous decline (e)	12	13	13	18	22	24	31	28	26	36	19	14	15
Mixed change (f)	10	10	10	10	12	13	13	13	15	18	24	23	24
DK,NA	6	5	6	8	7	6	5	5	5	4	5	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	16%	16%	15%	11%	8%	8%	5%	5%	5%	2%	6%	10%	9%
Intermittant increase (b)	30	31	28	24	22	20	14	12	11	3	8	12	11
Remain unchanged (c)	12	10	9	8	8	7	3	5	7	2	2	5	5
Intermittant decline (d)	17	17	17	17	21	21	26	31	31	35	35	29	31
Continuous decline (e)	11	13	16	20	23	25	34	30	27	34	18	14	13
Mixed change (f)	10	10	13	14	15	16	15	15	16	22	28	26	28
DK,NA	4	3	2	6	3	3	3	2	3	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

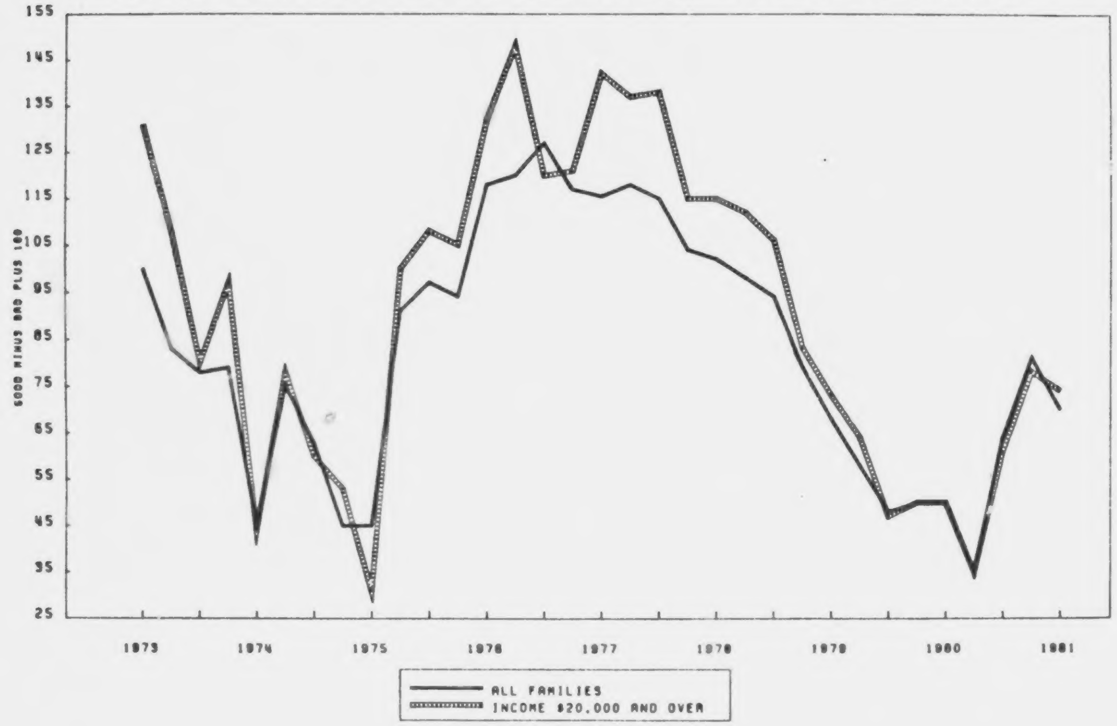

CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

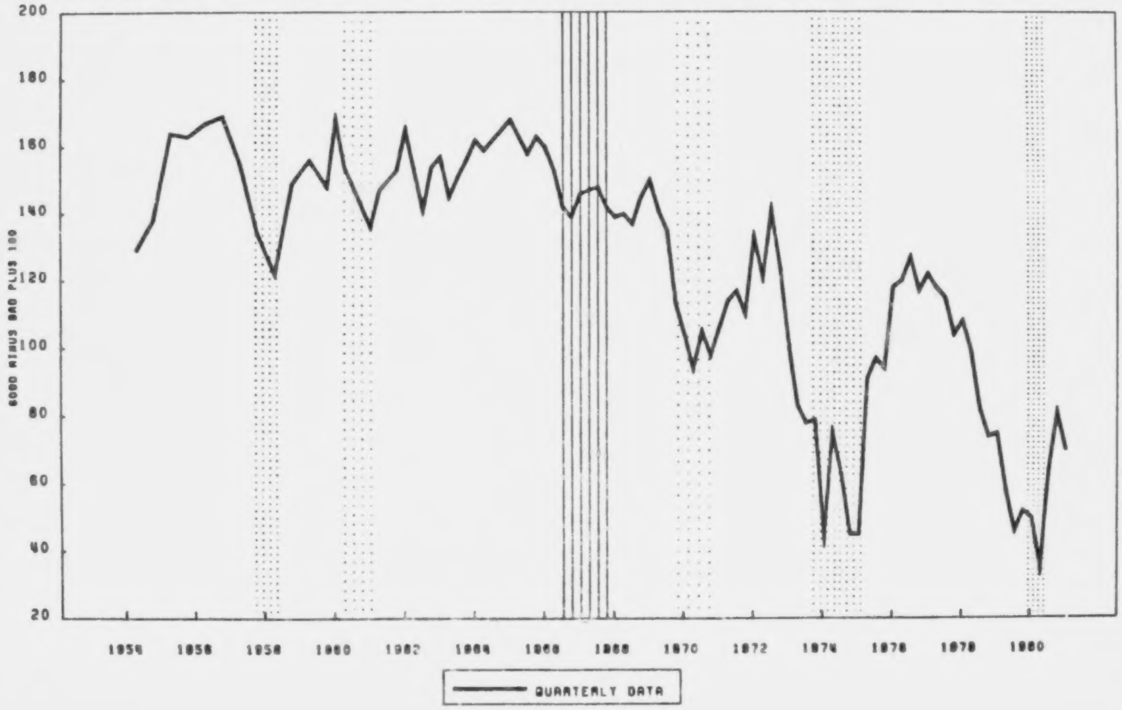

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981
A. ALL FAMILIES													
GOOD TIMES	41%	42%	39%	29%	25%	22%	18%	19%	20%	14%	26%	32%	28%
UNCERTAIN; GOOD & BAD	8	5	6	8	6	4	2	2	1	1	2	2	3
BAD TIMES	39	43	45	50	57	63	69	69	70	78	63	52	58
DON´T KNOW	7	6	6	9	7	5	5	4	4	4	6	8	7
NOT ASCERTAINED	5	4	4	4	5	6	6	6	5	3	3	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	50%	49%	47%	33%	30%	26%	19%	20%	21%	15%	28%	33%	33%
UNCERTAIN; GOOD & BAD	7	7	7	9	6	4	2	2	1	2	2	2	2
BAD TIMES	34	37	42	51	58	63	72	70	71	80	66	55	59
DON´T KNOW	4	3	2	4	3	2	2	2	3	1	2	5	2
NOT ASCERTAINED	5	4	2	3	3	5	5	6	4	2	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we´ll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

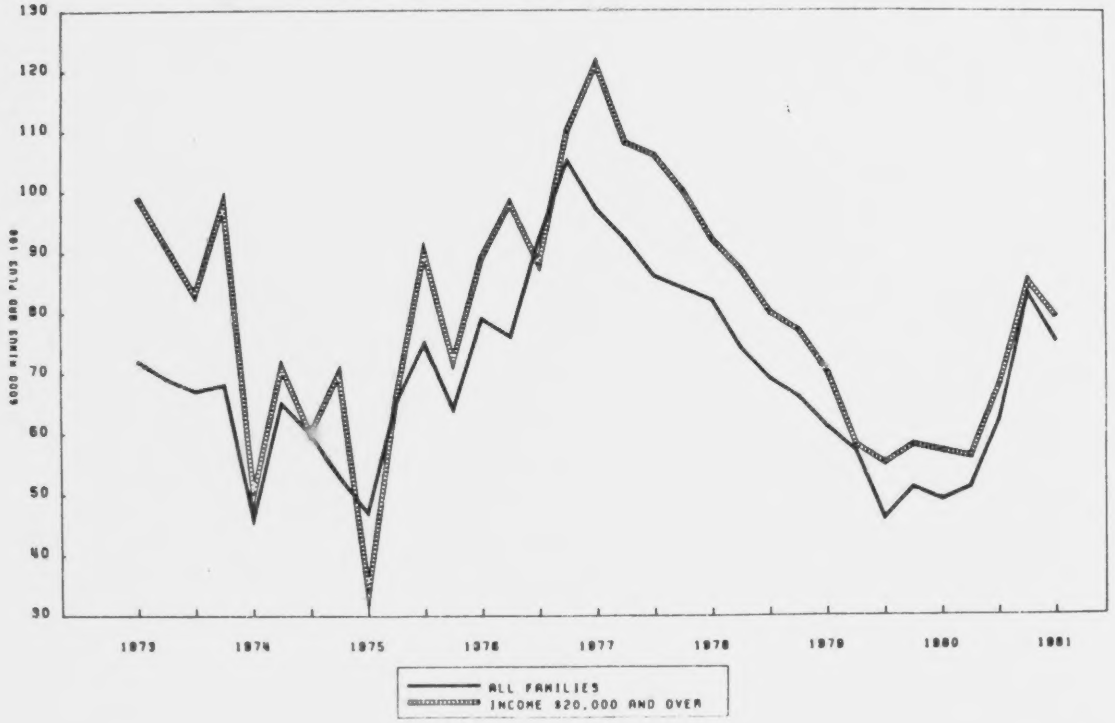

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

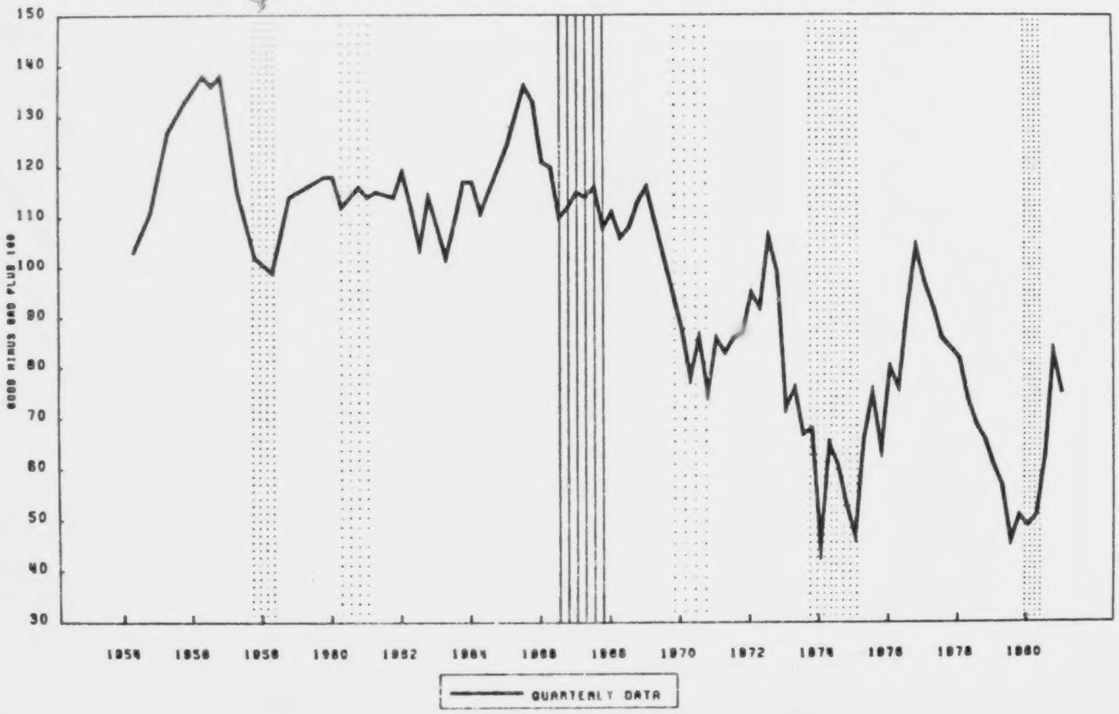

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIMES	28%	24%	23%	18%	19%	17%	13%	16%	17%	17%	21%	29%	28%
UNCERTAIN; GOOD & BAD	19	16	17	20	16	15	15	14	11	12	14	17	14
BAD TIMES	46	51	54	52	58	60	67	65	68	66	59	46	53
NOT ASCERTAINED	7	9	6	10	7	8	5	5	4	5	6	8	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	33%	32%	29%	23%	24%	18%	16%	20%	21%	19%	25%	31%	30%
UNCERTAIN; GOOD & BAD	20	17	18	21	18	15	17	13	10	12	13	16	14
BAD TIMES	41	44	49	46	55	60	62	62	65	63	57	46	50
NOT ASCERTAINED	6	7	4	10	3	7	5	5	4	6	5	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

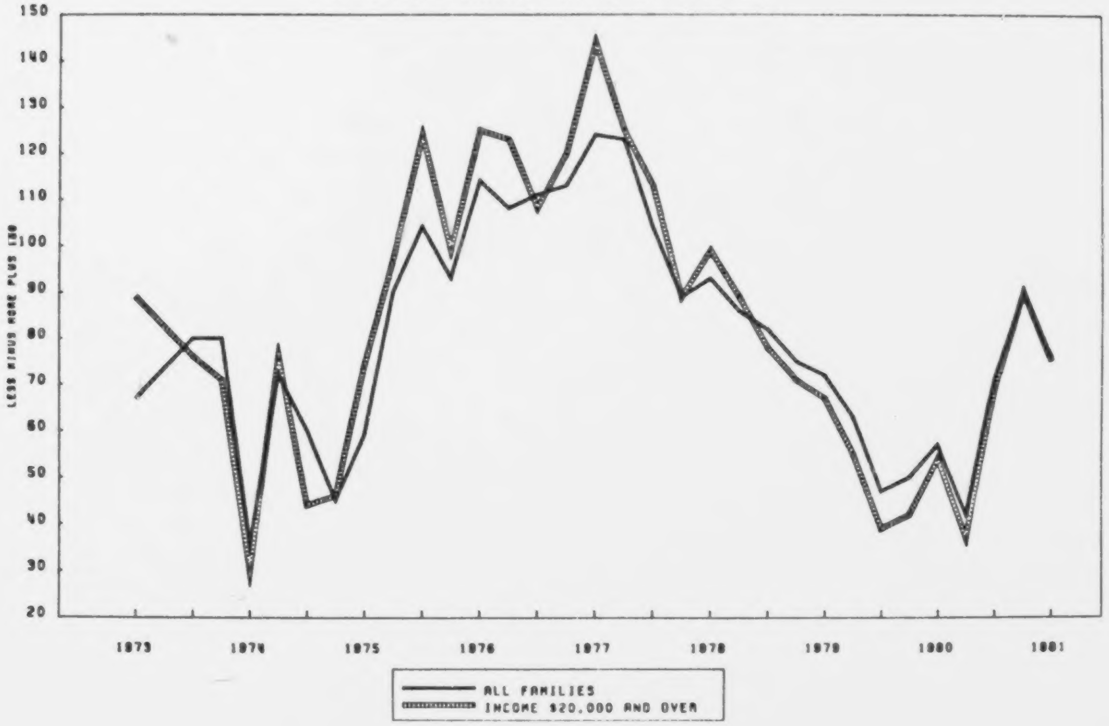

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

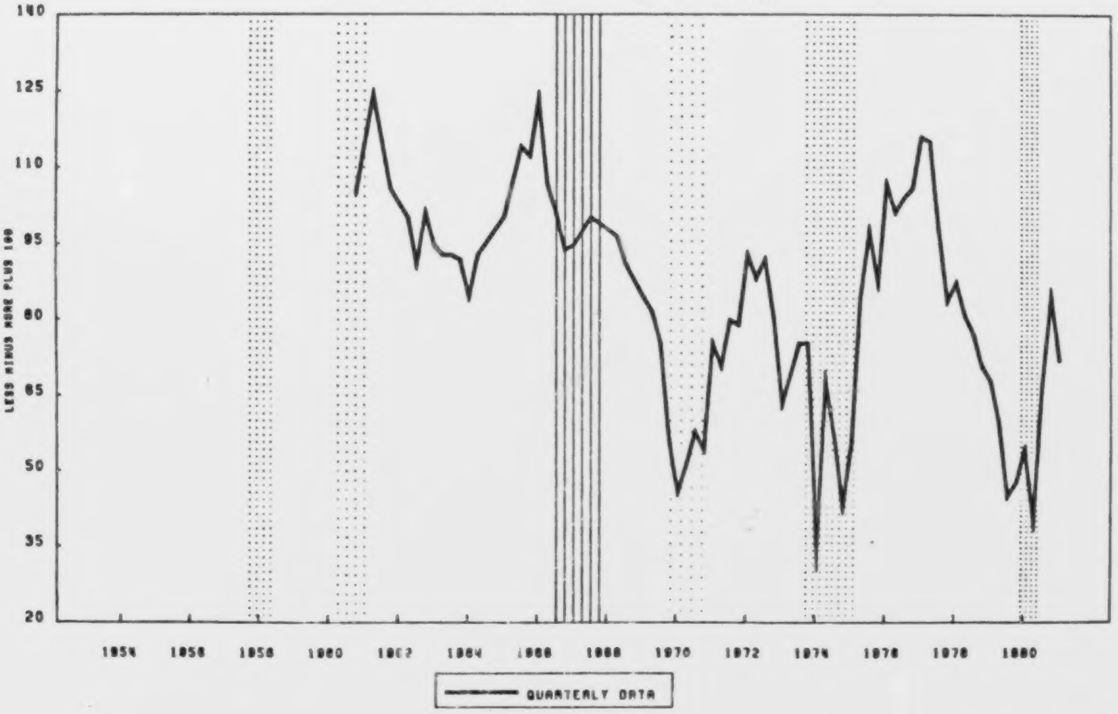

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
LESS	21%	16%	14%	12%	11%	8%	6%	7%	10%	7%	17%	21%	16%
SAME	47	51	51	47	47	42	32	34	36	26	35	45	42
MORE	28	30	32	37	39	46	60	57	52	66	46	31	40
DK,NA	4	3	3	4	3	4	2	2	2	1	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	23%	16%	13%	9%	9%	5%	5%	4%	9%	7%	16%	21%	16%
SAME	51	56	51	51	48	42	29	32	36	24	36	47	42
MORE	25	27	35	38	42	51	65	63	54	69	48	31	41
DK,NA	1	1	1	2	1	2	1	1	1	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

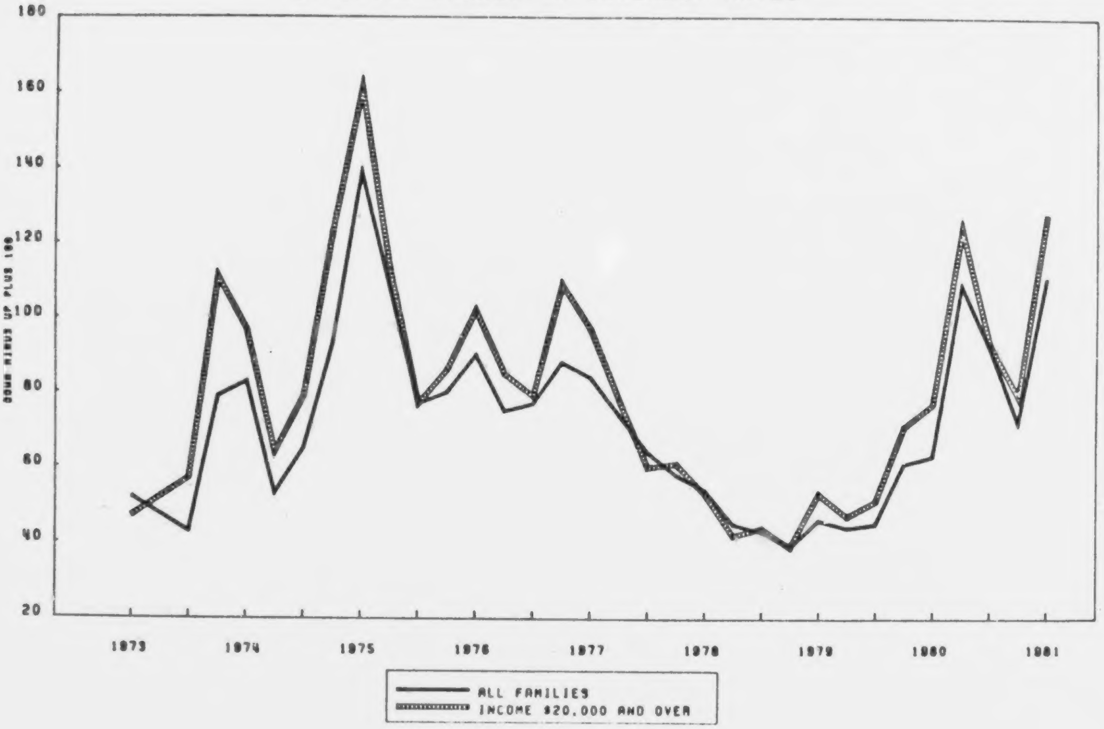

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

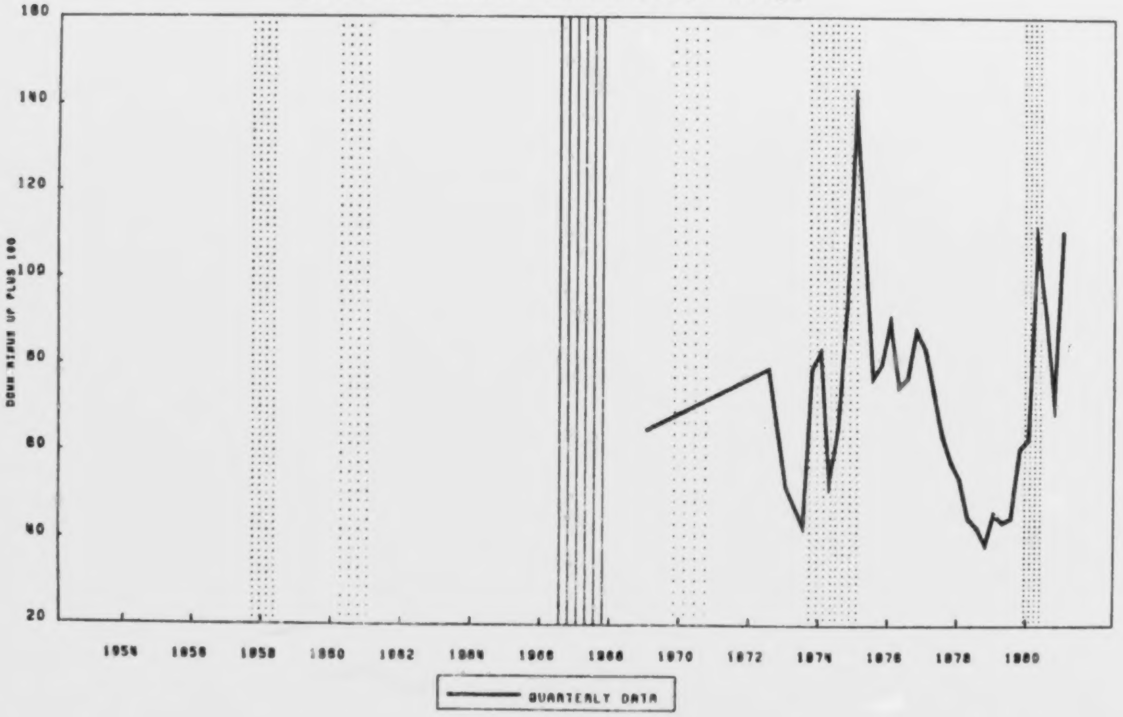

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GO UP	52%	61%	64%	67%	63%	64%	64%	57%	54%	34%	38%	51%	30%
STAY THE SAME	32	29	24	22	23	24	23	21	25	20	29	20	23
GO DOWN	7	5	7	6	9	8	9	19	17	43	29	23	41
DK,NA	9	5	5	5	5	4	4	3	4	3	4	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	52%	63%	64%	68%	58%	62%	62%	54%	47%	28%	37%	48%	22%
STAY THE SAME	37	31	25	22	29	26	25	20	27	19	30	21	23
GO DOWN	6	5	9	8	12	9	12	25	24	52	30	27	51
DK,NA	5	1	2	2	1	3	1	1	2	1	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
SAME OR DOWN	4%	3%	2%	4%	1%	1%	1%	1%	2%	5%	4%	2%	3%
GONE UP BY:													
1-2%	4	3	3	3	2	1	1	2	1	1	2	2	2
3-4%	7	8	4	5	5	4	3	3	4	3	5	4	4
5%	10	11	10	7	6	6	6	5	6	5	7	9	7
6-9%	17	17	16	17	17	13	10	10	8	8	11	11	9
10-14%	15	18	21	22	27	29	30	32	28	25	22	25	31
15% or more	20	22	26	22	27	32	34	33	38	38	31	31	26
DK how much up	22	18	17	20	15	14	15	14	13	14	17	15	17
DK,NA	1	*	1	*	*	*	*	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.7	12.9	14.1	12.9	14.8	15.5	15.4	16.2	16.4	15.9	14.5	15.0	13.6
VARIANCE	127	158	160	136	162	156	146	175	164	165	160	163	123
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	6%	2%	1%	2%	1%	1%	*	1%	1%	3%	5%	2%	2%
GONE UP BY:													
1-2%	3	2	3	3	2	*	1	2	1	2	1	2	2
3-4%	8	8	4	6	5	4	1	4	2	3	5	3	3
5%	15	10	11	8	6	3	4	4	6	5	5	5	6
6-9%	25	24	25	28	24	14	11	8	9	8	12	11	11
10-14%	17	23	28	23	32	37	39	40	31	30	28	33	37
15% or more	14	22	22	20	25	34	36	36	44	41	35	34	31
DK how much up	11	9	6	10	5	6	8	5	6	8	9	9	8
DK,NA	1	*	*	*	*	1	*	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.8	12.1	11.7	11.8	13.1	15.0	15.1	15.5	15.9	15.4	14.5	14.8	14.0
VARIANCE	52	114	87	101	105	119	103	135	118	128	134	130	100

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

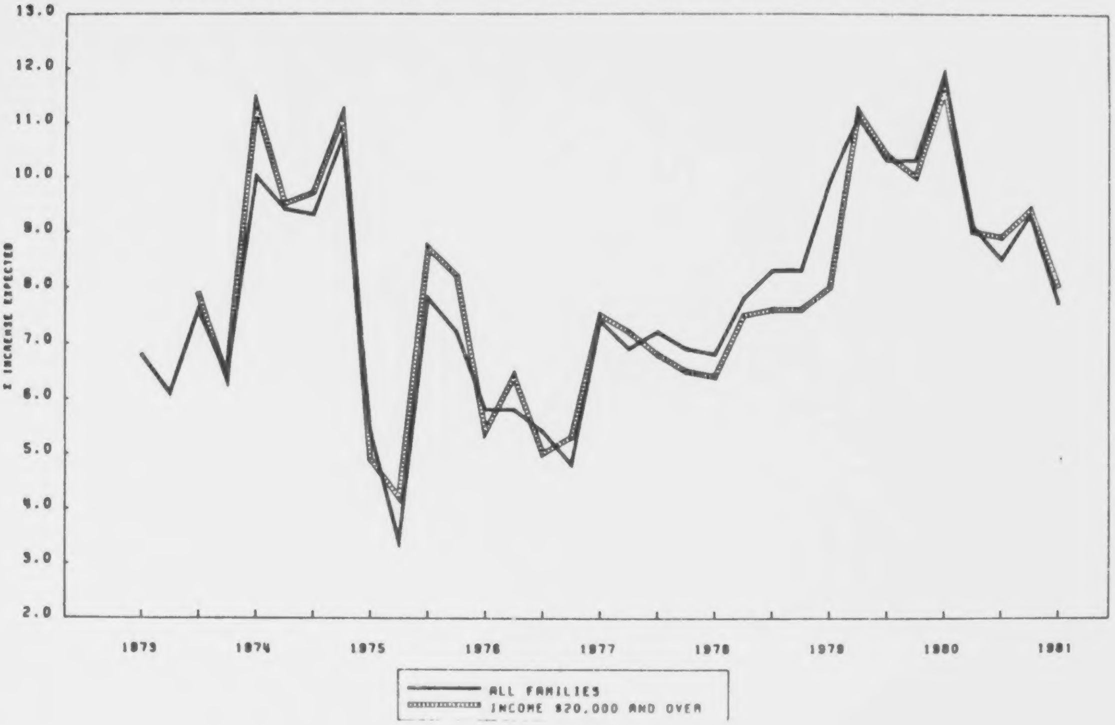

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

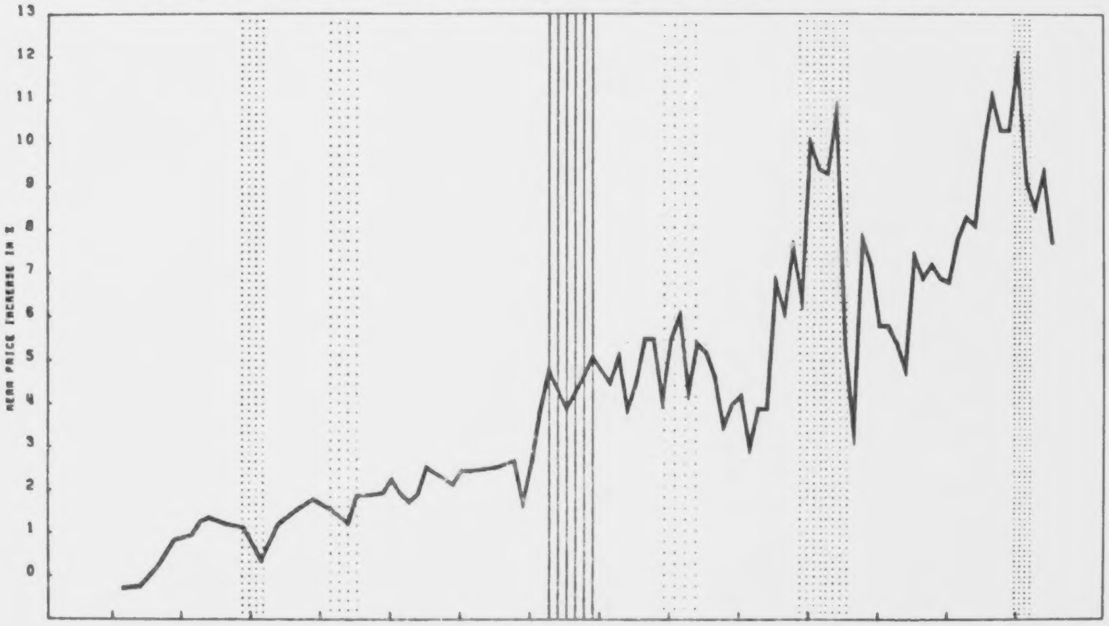

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
SAME OR DOWN	13%	11%	13%	10%	8%	8%	12%	13%	10%	26%	19%	21%	21%
WILL GO UP BY:													
1-2%	7	6	5	4	4	3	3	3	3	2	5	3	3
3-4%	10	10	8	7	7	6	6	5	4	4	6	5	8
5%	13	11	12	11	9	10	9	8	9	8	10	9	9
6-9%	17	20	17	20	20	14	13	14	11	9	11	11	12
10-14%	12	14	17	20	22	26	27	27	28	20	22	23	24
15% or more	6	8	10	7	13	19	18	16	24	19	13	16	10
DK how much up	20	18	16	19	16	12	11	12	9	10	12	10	11
DK,NA	2	2	2	2	1	2	1	2	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.8	7.8	8.3	8.1	9.9	11.1	10.3	10.3	11.9	9.1	8.5	9.3	7.7
VARIANCE	51	68	74	59	94	106	94	95	115	102	78	103	62
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	10%	6%	8%	6%	5%	4%	9%	11%	9%	23%	16%	16%	16%
WILL GO UP BY:													
1-2%	7	6	5	6	3	1	3	3	3	2	4	2	3
3-4%	10	9	8	8	5	6	4	5	3	5	8	5	7
5%	16	12	13	9	9	10	8	7	7	9	11	9	12
6-9%	27	31	28	31	32	17	16	16	10	11	13	14	15
10-14%	13	21	22	22	30	36	36	35	38	24	27	28	30
15% or more	5	5	7	7	9	19	18	16	25	20	15	16	9
DK how much up	11	10	8	10	7	6	6	7	5	5	5	9	7
DK,NA	1	*	1	1	*	1	*	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	6.4	7.5	7.6	8.0	9.1	11.2	10.5	9.9	11.6	9.0	8.9	9.4	8.0
VARIANCE	29	37	30	39	44	81	67	66	72	75	78	77	50

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

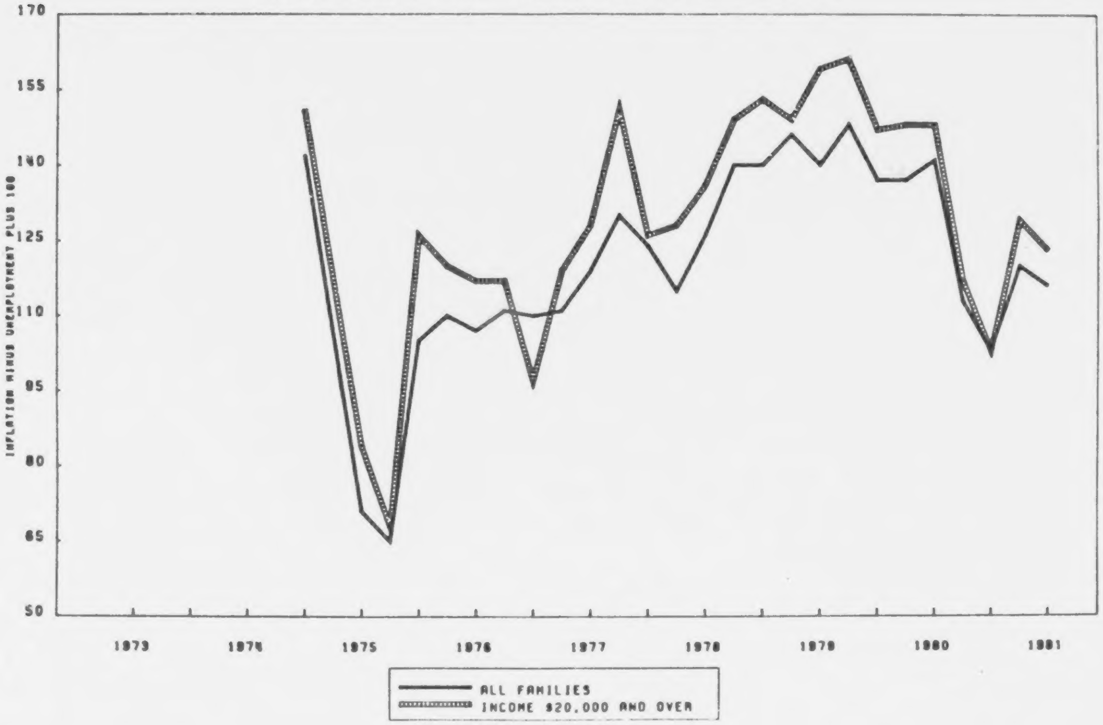

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

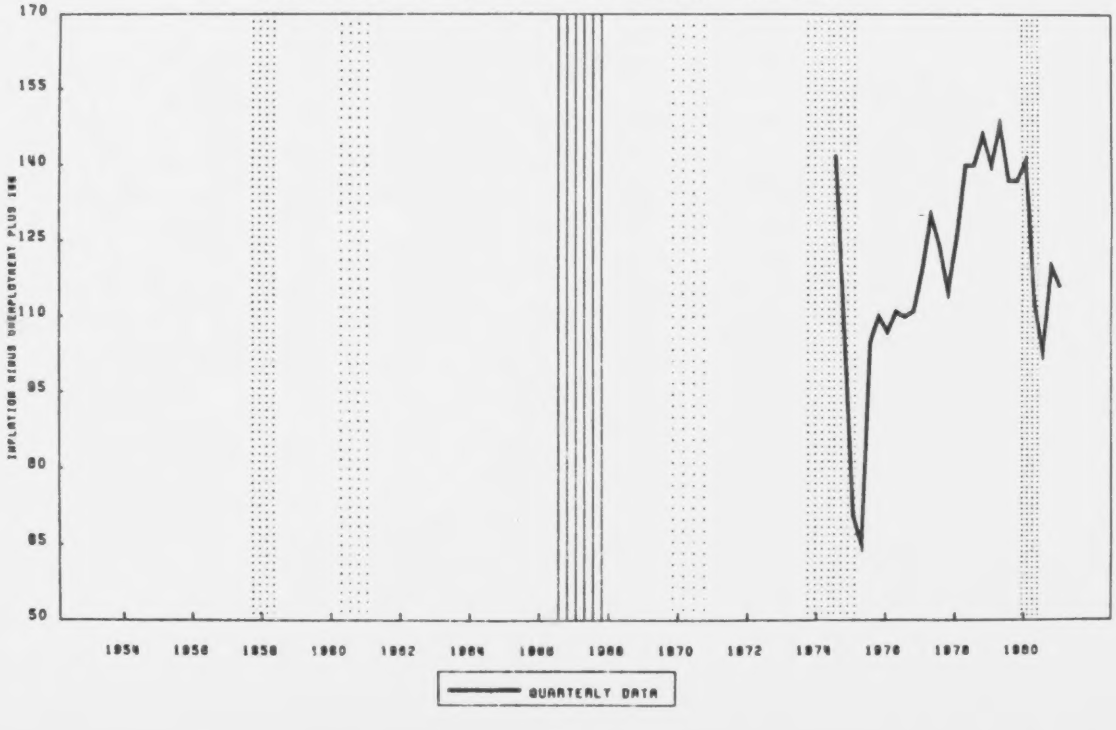

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
UNEMPLOYMENT	31%	25%	25%	21%	25%	21%	26%	26%	25%	36%	42%	34%	36%
BOTH EQUALLY SERIOUS	8	8	7	8	7	7	9	9	7	14	10	11	11
INFLATION	57	65	65	67	65	69	63	63	66	49	45	54	51
DK,NA	4	2	3	4	3	3	2	2	2	1	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
UNEMPLOYMENT	28%	22%	21%	21%	18%	17%	22%	23%	23%	35%	43%	33%	33%
BOTH EQUALLY SERIOUS	7	7	5	6	5	5	8	6	6	11	11	6	9
INFLATION	64	71	74	72	77	78	69	70	71	53	45	61	57
DK,NA	1	*	*	1	*	*	1	1	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

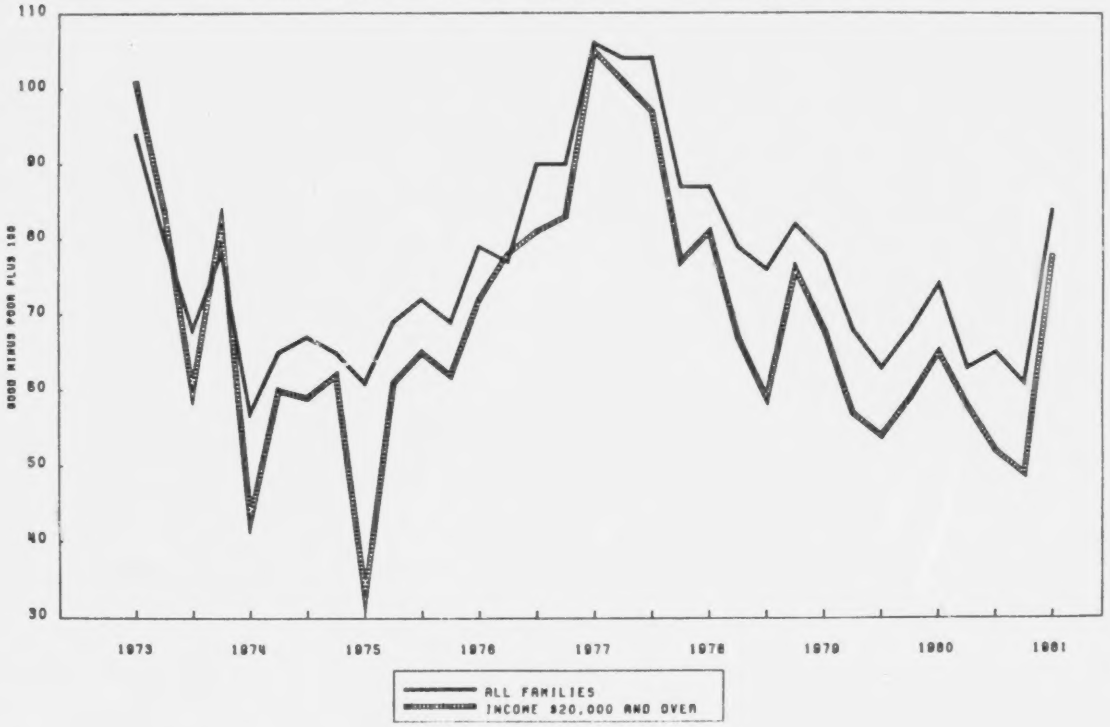

TABLE 25

OPINIONS ABOUT THE GOVERNMENT´S ECONOMIC POLICY

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
A GOOD JOB	12%	10%	10%	11%	10%	8%	7%	8%	10%	7%	9%	7%	17%
ONLY FAIR	57	55	53	55	53	48	47	47	50	45	44	44	42
A POOR JOB	26	32	34	29	32	40	43	41	36	44	44	46	33
DK,NA	5	3	3	5	5	4	3	4	4	4	3	3	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	10%	6%	6%	9%	7%	5%	5%	6%	8%	6%	5%	4%	17%
ONLY FAIR	60	52	47	55	51	46	44	47	49	44	40	41	38
A POOR JOB	29	40	46	33	39	48	50	46	42	49	53	54	39
DK,NA	1	2	1	3	3	1	1	1	1	1	2	1	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

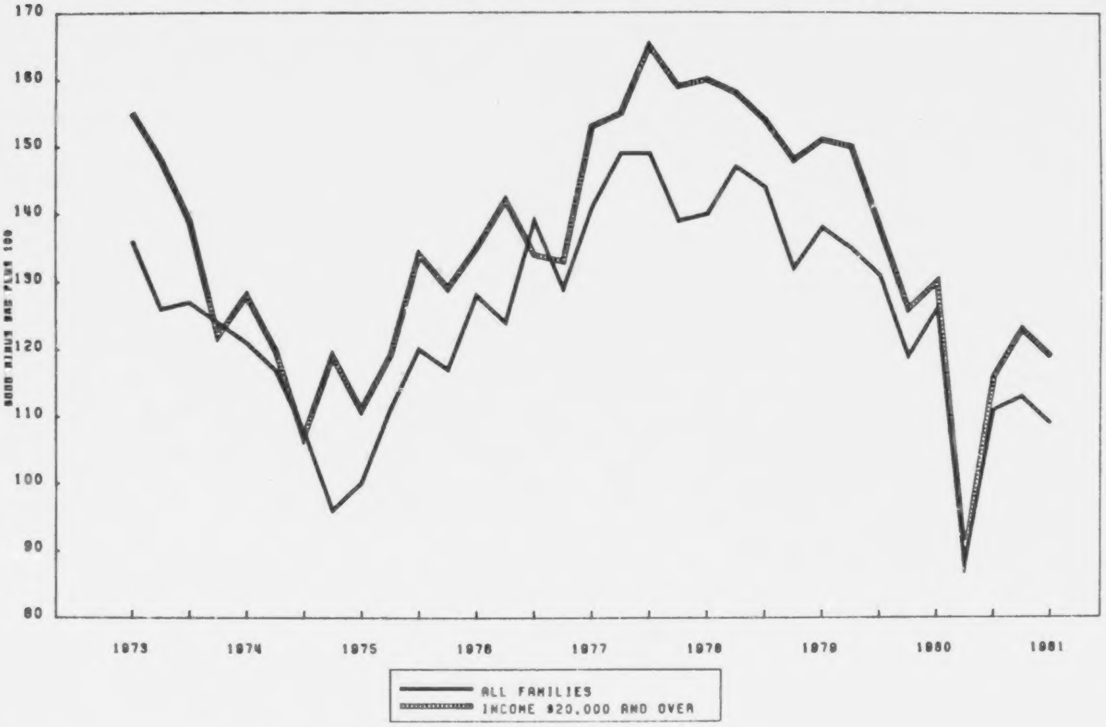

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

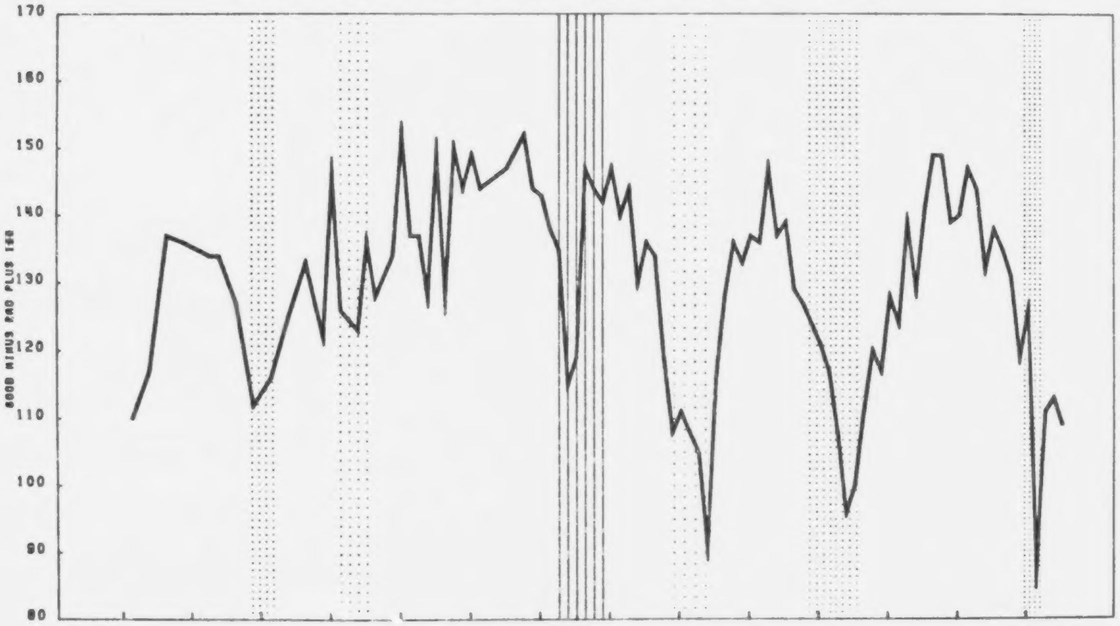

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	62%	66%	64%	57%	62%	62%	60%	54%	58%	39%	48%	50%	47%
UNCERTAIN, DEPENDS	16	16	16	18	14	11	11	10	10	10	16	13	15
BAD TIME TO BUY	22	18	20	25	24	27	29	36	32	51	36	37	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	74%	72%	70%	66%	71%	70%	63%	58%	61%	40%	51%	54%	52%
UNCERTAIN, DEPENDS	12	14	13	16	10	10	11	10	8	9	14	14	15
BAD TIME TO BUY	14	14	17	18	19	20	26	32	31	51	35	32	33
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

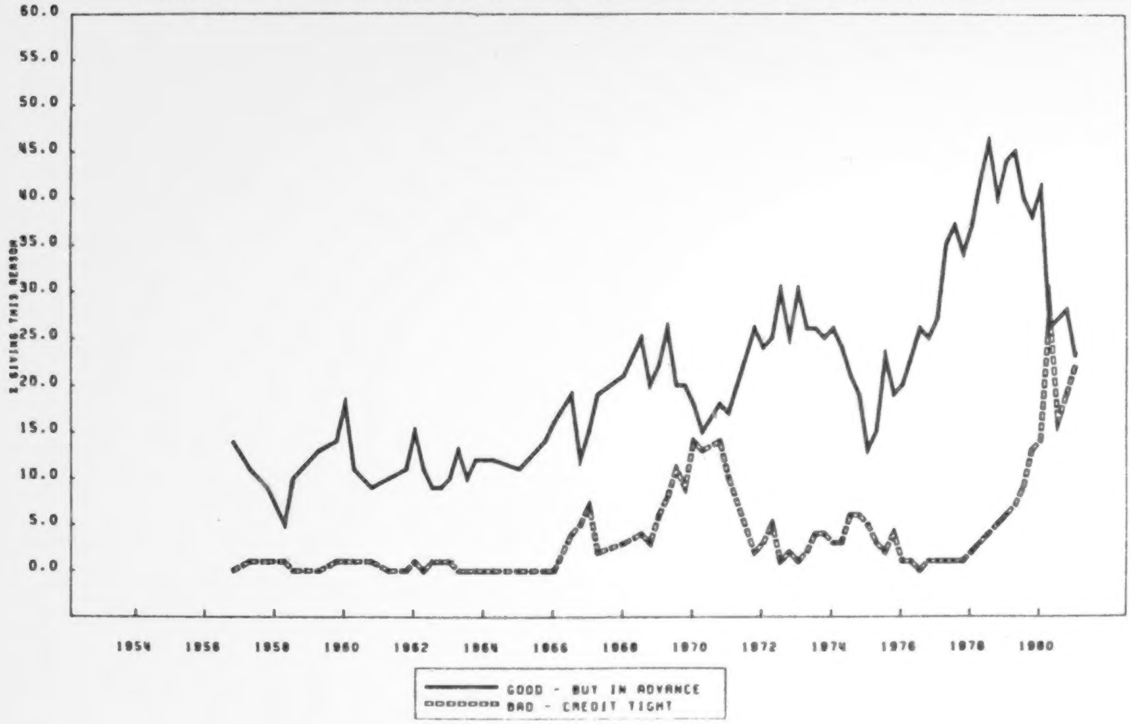

CHART 27B

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

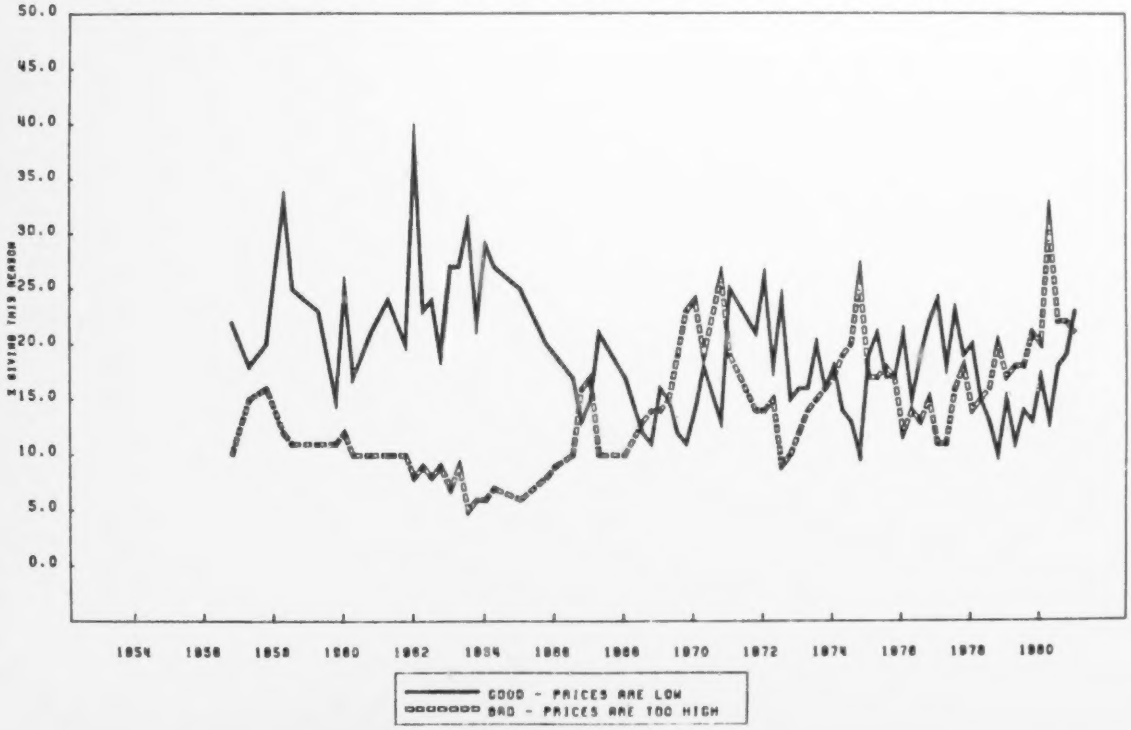

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	15%	13%	10%	15%	11%	14%	13%	17%	13%	18%	19%	23%
Prices won´t come down; are going higher	37	42	46	40	44	45	40	38	41	26	27	28	25
Interest rates low; credit is easy	2	3	3	2	3	3	2	3	4	3	4	3	2
BAD TIME TO BUY:													
Prices are high	14	15	16	20	17	18	18	21	20	31	22	22	21
Interest rates are high; credit is tight	2	3	4	5	6	7	9	13	14	28	16	19	24
Lack of purchasing power	7	4	4	4	6	9	10	13	13	15	15	11	13
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	15%	14%	10%	15%	12%	16%	15%	20%	15%	20%	23%	25%
Prices won´t come down; are going higher	42	53	53	50	51	55	45	40	44	26	30	30	31
Interest rates low; credit is easy	2	2	4	3	4	4	3	4	3	3	5	4	3
BAD TIME TO BUY:													
Prices are high	9	11	13	17	12	13	16	21	16	27	20	16	18
Interest rates are high; credit is tight	1	2	4	4	7	7	9	15	17	33	16	24	27
Lack of purchasing power	6	3	3	3	6	8	9	10	11	15	15	8	10

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

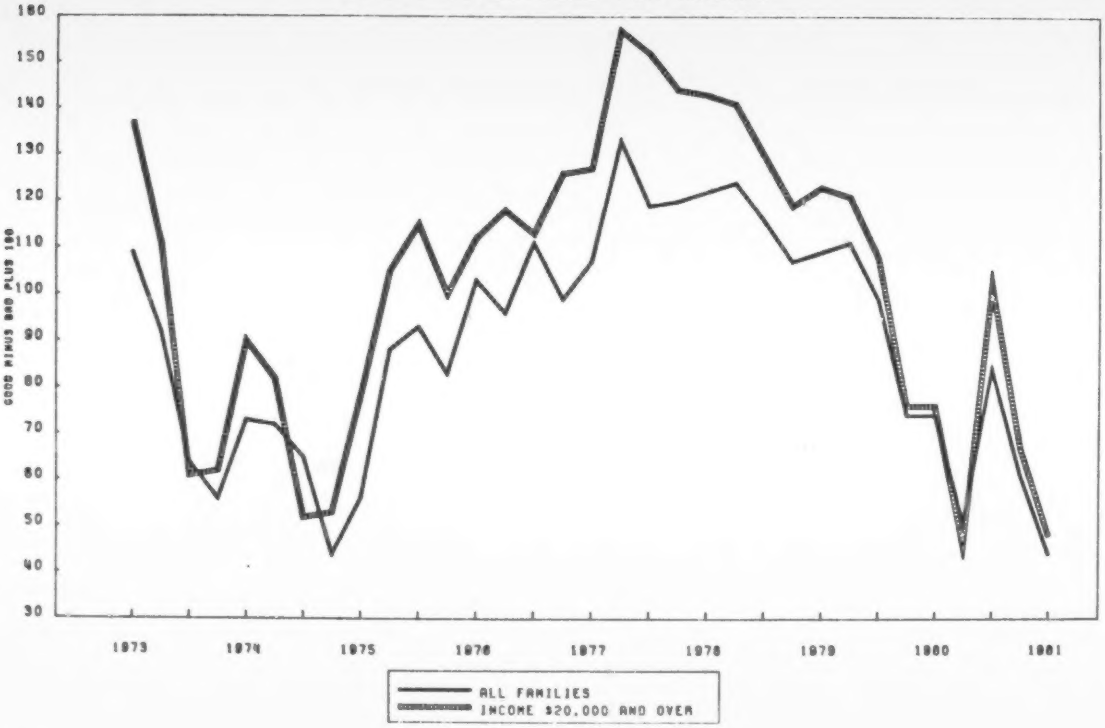

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

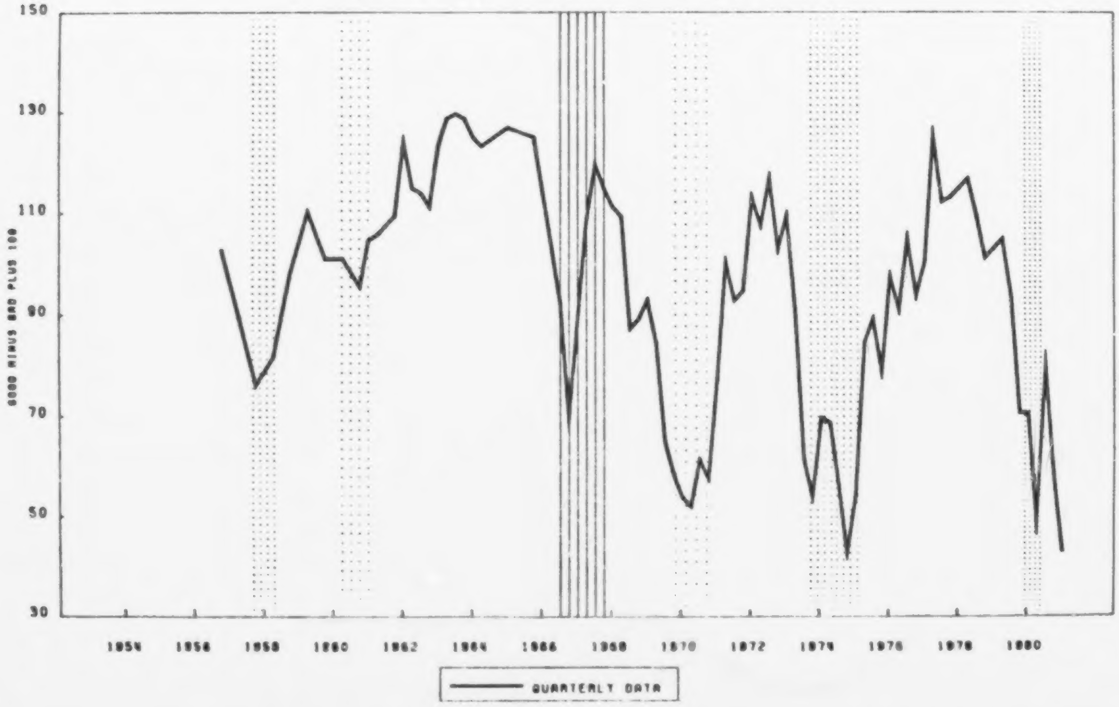

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	56%	58%	53%	48%	50%	52%	47%	34%	35%	22%	39%	28%	20%
UNCERTAIN, DEPENDS	10	8	10	11	9	7	5	6	5	7	6	5	4
BAD TIME TO BUY	34	34	37	41	41	41	48	60	60	71	55	67	76
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	68%	68%	61%	55%	58%	58%	51%	35%	36%	20%	48%	30%	21%
UNCERTAIN, DEPENDS	7	5	8	9	7	5	5	6	4	6	6	6	5
BAD TIME TO BUY	25	27	31	36	35	37	44	59	60	74	46	64	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

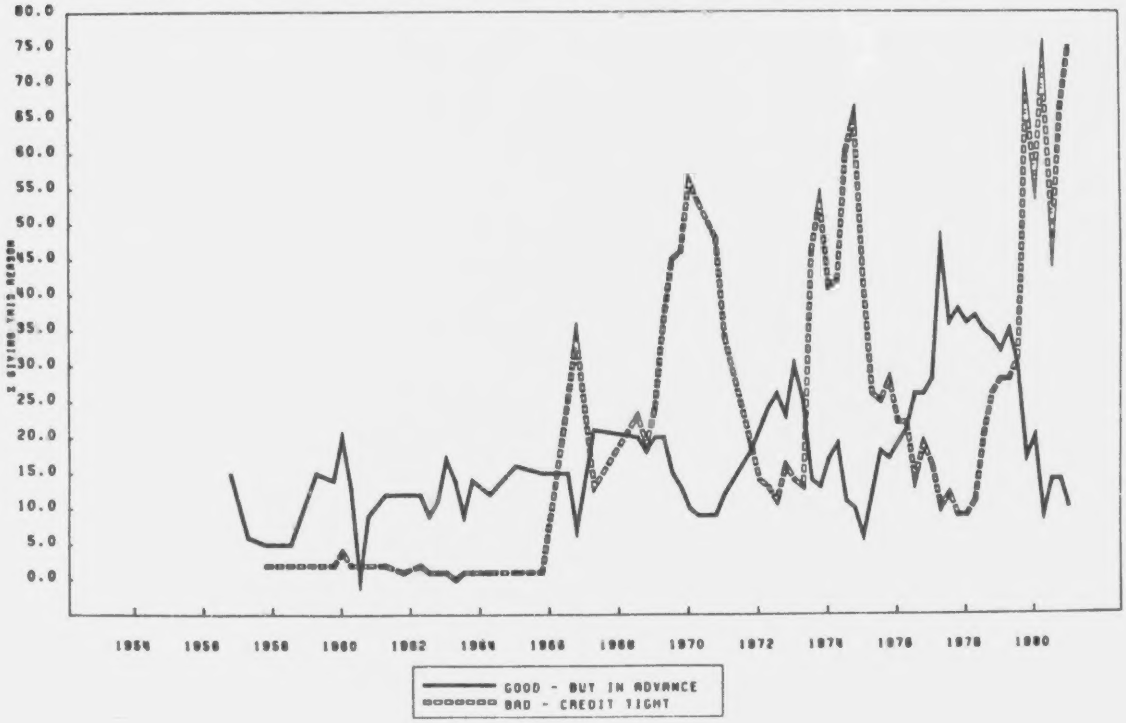

CHART 29B
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

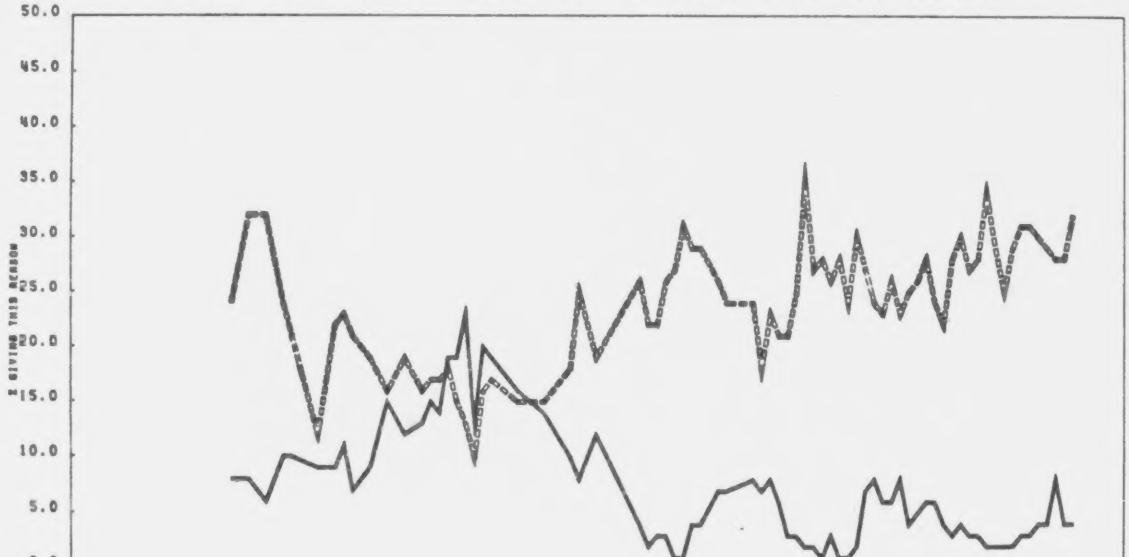

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	3%	2%	2%	2%	2%	3%	3%	4%	4%	8%	4%	4%
Prices won´t come down; are going higher	36	37	35	34	32	35	30	17	20	9	14	14	10
Interest rates low; credit is easy	7	10	9	9	11	12	10	8	9	8	24	11	5
Good investment	11	10	14	9	12	14	12	8	12	7	8	7	8
BAD TIME TO BUY:													
Prices are high	27	28	34	29	25	29	31	31	30	29	28	28	32
Interest rates are high; credit is tight	9	11	20	26	28	28	31	68	56	72	48	66	75
Lack of purchasing power	4	7	3	6	6	9	9	9	8	9	13	12	12
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	5%	3%	2%	5%	4%	2%	3%	4%	5%	7%	13%	7%	7%
Prices won´t come down; are going higher	43	50	46	37	37	40	33	16	20	8	16	13	11
Interest rates low; credit is easy	12	16	14	11	16	18	13	10	10	9	32	13	7
Good investment	13	14	16	10	11	17	15	10	14	7	10	9	8
BAD TIME TO BUY:													
Prices are high	21	23	22	25	18	23	27	28	28	28	25	24	30
Interest rates are high; credit is tight	9	11	26	34	35	31	38	75	63	80	45	74	82
Lack of purchasing power	2	2	3	4	3	5	8	7	7	8	9	8	9

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

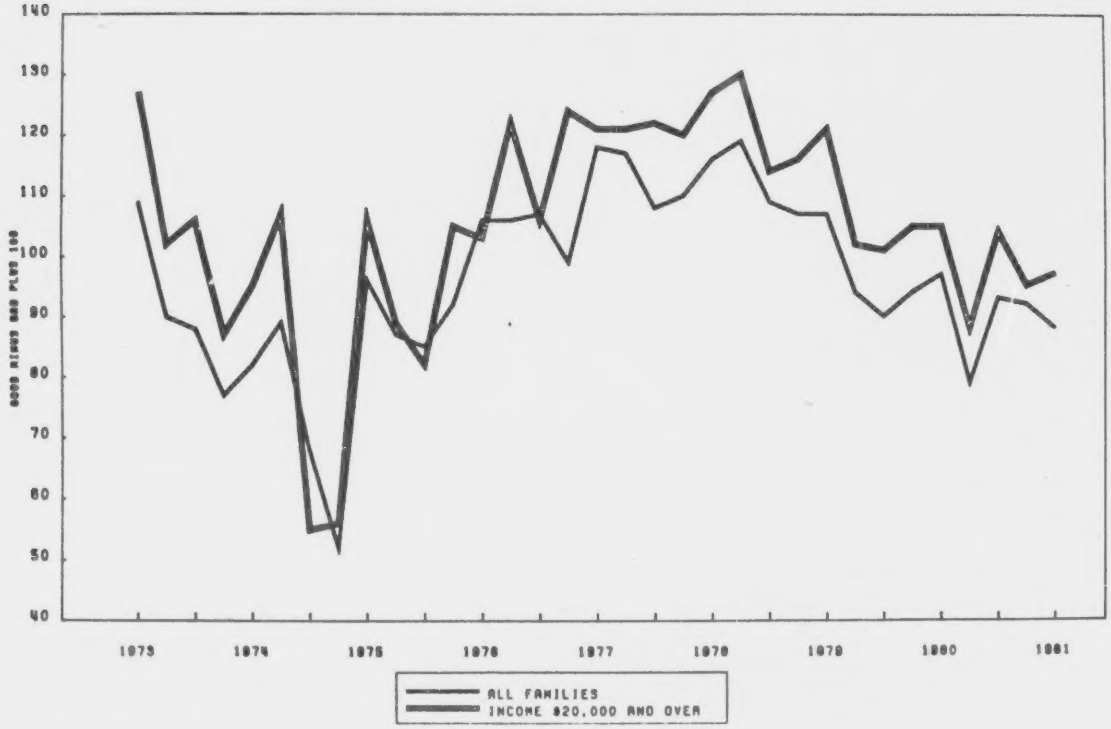

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

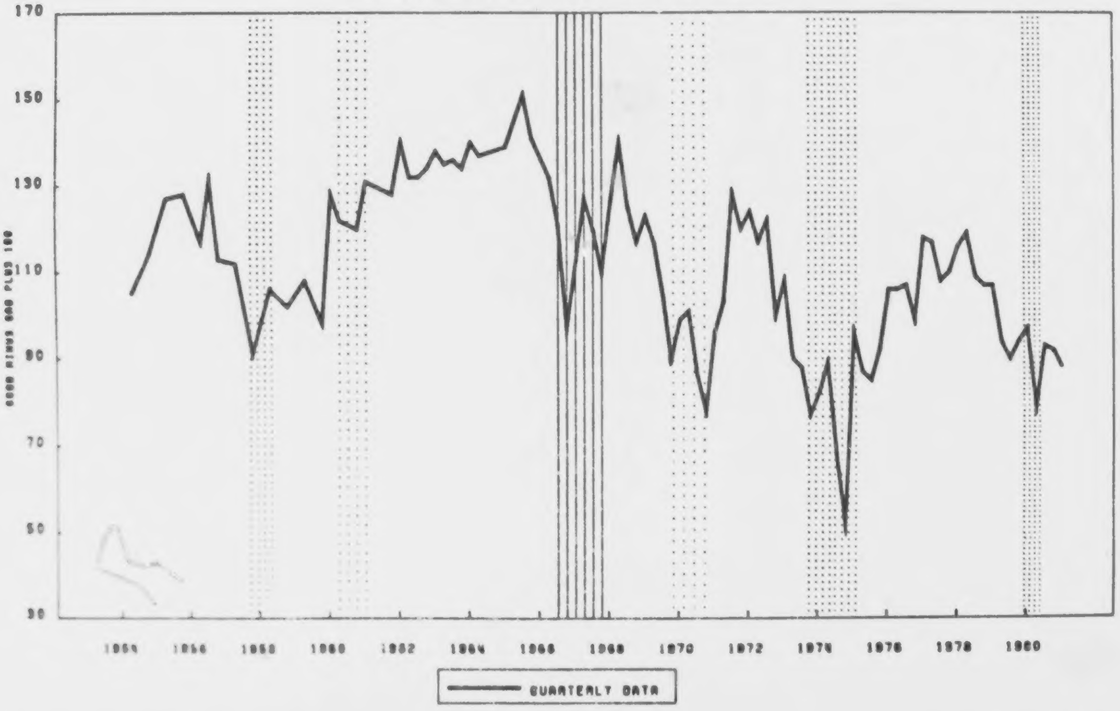

TABLE 30

BUYING CONDITIONS FOR CARS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	50%	52%	46%	44%	46%	41%	38%	42%	44%	34%	40%	40%	38%
UNCERTAIN; DEPENDS	17	16	17	19	15	12	14	10	9	11	13	13	12
BAD TIME TO BUY	33	32	37	37	39	47	48	48	47	55	47	47	50
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	56%	58%	50%	50%	55%	45%	44%	49%	48%	39%	45%	42%	43%
UNCERTAIN; DEPENDS	15	14	14	17	11	12	14	7	9	10	13	11	10
BAD TIME TO BUY	29	28	36	33	34	43	42	44	43	51	42	47	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

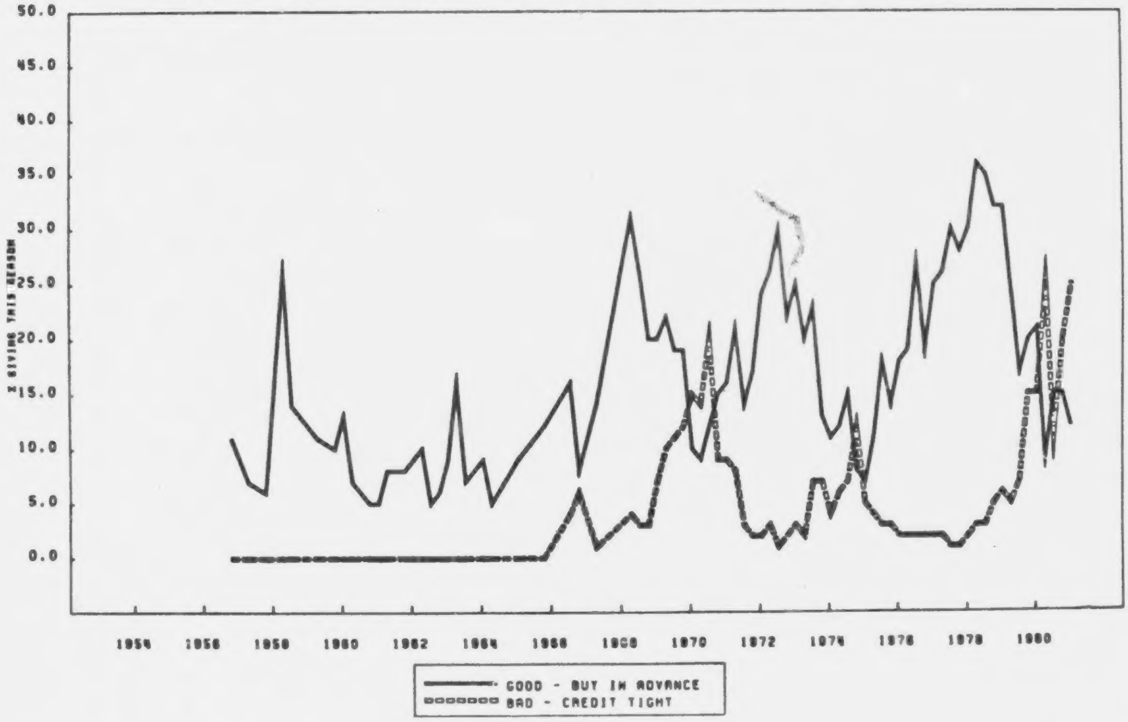

CHART 31B
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

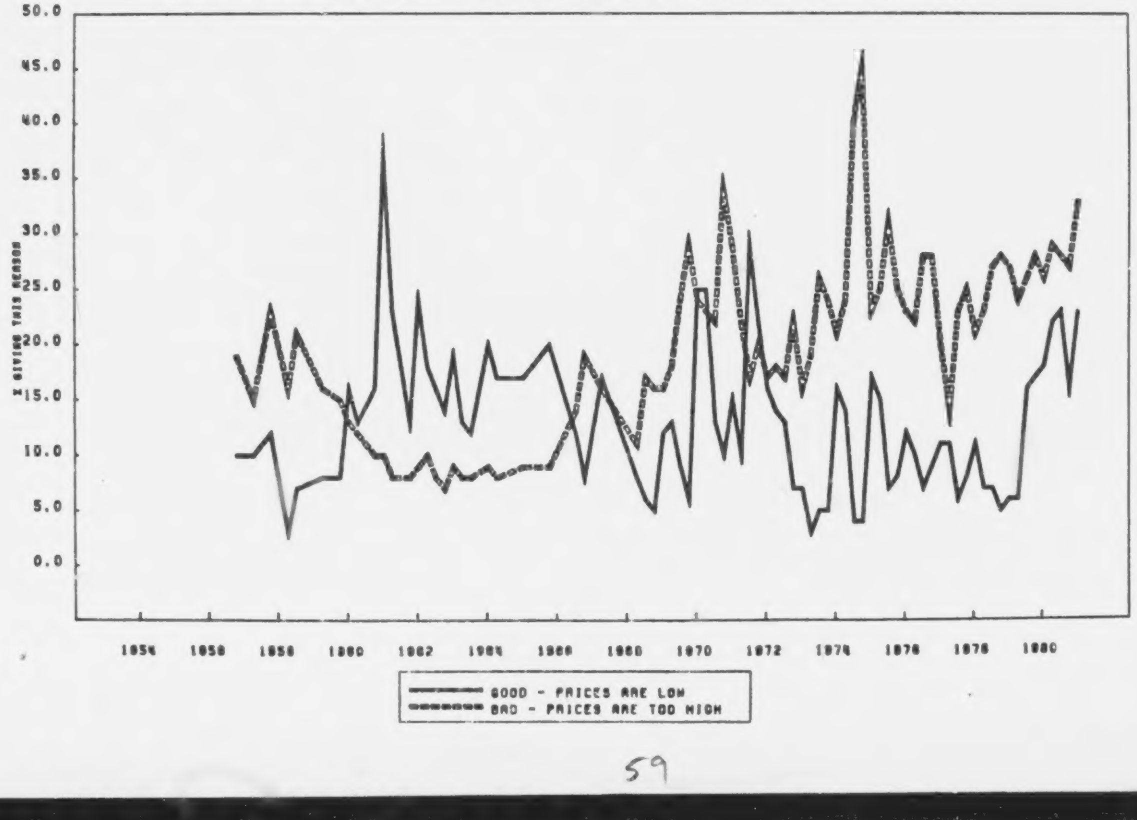

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	11%	7%	7%	5%	6%	6%	16%	17%	18%	22%	23%	16%	23%
Prices won´t come down; are going higher	30	36	35	32	32	24	17	20	21	9	15	15	12
Interest rates low; credit is easy	2	1	2	2	2	2	1	2	3	3	4	3	3
New fuel efficient models	3	3	2	2	4	13	10	9	12	8	6	8	5
BAD TIME TO BUY:													
Prices are high	21	23	27	28	27	24	26	28	26	29	28	27	33
Interest rates are high; credit is tight	2	3	3	5	6	5	7	15	15	25	11	20	25
Lack of purchasing power	4	3	3	3	3	5	6	6	6	6	8	8	8
Price of gas; shortages	2	1	1	2	7	22	19	12	16	13	5	4	6
Poor selection; quality	8	10	11	9	9	11	11	9	10	8	12	12	9
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	7%	7%	6%	6%	7%	21%	22%	24%	30%	28%	18%	32%
Prices won´t come down; are going higher	35	42	38	37	40	28	17	22	22	9	17	17	14
Interest rates low; credit is easy	2	1	2	2	3	2	1	3	3	2	6	4	4
New fuel efficient models	3	5	3	2	5	14	13	9	13	8	7	7	5
BAD TIME TO BUY:													
Prices are high	17	20	24	23	20	22	23	23	24	25	25	26	27
Interest rates are high; credit is tight	1	2	4	5	7	5	6	18	15	28	10	22	31
Lack of purchasing power	3	1	2	3	2	5	3	5	4	6	8	5	6
Price of gas; shortages	2	3	1	3	7	22	17	10	13	9	4	3	2
Poor selection; quality	8	10	12	9	10	13	11	10	12	10	15	17	10

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
PROBABLY WILL BUY	19%	20%	21%	21%	18%	17%	14%	16%	20%	14%	16%	15%	15%
CHANCES ARE EVEN	8	7	6	6	9	6	7	6	8	7	6	6	7
PROBABLY WILL NOT BUY	59	61	63	65	61	66	69	68	62	68	66	67	65
DK,NA	14	12	10	8	12	11	10	10	10	11	12	12	13
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	31%	32%	33%	30%	30%	26%	21%	19%	30%	18%	22%	23%	22%
CHANCES ARE EVEN	10	10	7	7	10	8	10	9	9	11	8	7	9
PROBABLY WILL NOT BUY	57	58	57	62	59	64	67	68	59	69	66	68	67
DK,NA	2	*	3	1	1	2	2	4	2	2	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

* : Less than half of one percent.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jan-Mar. 1978	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	27%	27%	27%	27%	27%	23%	21%	22%	28%	21%	22%	21%	22%
PURCHASE TYPE:													
Buy new	15	13	11	14	11	12	11	9	14	9	9	10	10
Buy used	10	12	11	11	15	10	9	11	12	9	11	8	9
Lease	1	1	3	1	1	1	1	1	1	1	1	1	1
DK,NA	1	1	2	1	*	*	*	1	1	2	1	2	2
PURCHASE TIMING:													
Next 3 months	3	5	5	2	3	4	3	4	2	3	3	3	2
Next 4-6 months	6	6	6	4	7	7	4	4	7	6	5	3	5
Next 7-9 months	8	5	4	5	6	4	4	5	7	5	3	6	6
10 months or more	4	3	5	6	6	3	4	5	6	3	4	4	4
DK,NA	6	8	7	10	5	5	6	4	6	4	7	5	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	41%	42%	40%	37%	40%	34%	31%	28%	39%	29%	30%	30%	31%
PURCHASE TYPE:													
Buy new	27	27	21	23	22	21	18	15	23	16	16	16	17
Buy used	10	11	10	11	14	11	11	10	12	9	11	11	8
Lease	2	2	7	2	3	1	1	2	3	2	1	2	3
DK,NA	2	2	2	1	1	1	1	1	1	2	2	1	3
PURCHASE TIMING:													
Next 3 months	4	8	7	3	4	6	6	5	3	4	5	4	4
Next 4-6 months	9	12	10	7	10	11	7	5	12	7	7	6	7
Next 7-9 months	12	9	9	7	11	7	5	8	9	8	6	7	8
10 months or more	8	5	7	9	9	5	8	6	8	4	4	6	6
DK,NA	8	8	7	11	6	5	5	4	7	6	8	7	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jan- Mar. 1978	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	59%	61%	63%	65%	61%	66%	69%	68%	62%	68%	66%	67%	65%
PURCHASE TYPE:													
Would buy new	32	32	37	36	34	38	39	41	36	39	38	40	34
Would buy used	23	26	23	25	24	26	28	25	24	26	26	24	28
DK,NA	4	3	3	4	3	2	2	2	2	3	2	3	3
PURCHASE TIMING:													
Less than 2 years	6	7	4	6	5	5	7	7	7	7	5	6	5
2 years	17	20	19	19	17	20	20	18	21	17	20	21	21
3 years	9	8	10	12	9	11	11	11	7	11	10	13	10
4 years or more	12	13	17	16	15	16	17	19	17	20	20	16	18
Indefinite	7	6	7	3	7	6	6	6	3	4	4	4	4
DK,NA	8	7	6	9	8	8	8	7	7	9	7	7	7
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	57%	58%	57%	62%	59%	64%	67%	68%	59%	69%	66%	68%	67%
PURCHASE TYPE:													
Would buy new	39	36	41	40	38	43	44	47	39	47	48	49	44
Would buy used	16	20	14	20	18	20	21	20	19	20	17	17	21
DK,NA	2	2	2	2	3	1	2	1	1	2	1	2	2
PURCHASE TIMING:													
Less than 2 years	9	8	7	8	9	7	8	10	8	8	6	7	7
2 years	25	23	25	24	24	26	25	25	24	23	24	26	22
3 years	8	12	10	12	12	12	11	11	6	12	13	13	11
4 years or more	11	10	13	11	10	13	17	17	15	20	18	16	20
Indefinite	2	1	2	1	2	2	1	2	1	2	2	2	3
DK,NA	2	4	*	6	2	4	5	3	5	4	3	4	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

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SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

First Quarter Survey
January-March 1981

April 7, 1981

SLOW ECONOMIC PROGRESS DIMS CONSUMER OPTIMISM

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January-March 1981 Tables and Charts

The first quarter 1981 surveys included 2,069 interviews, conducted between January 5 and March 24, 1981.

Monitoring Economic Change Program
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Highlights

** In the January-March 1981 surveys, the Index of Consumer Sentiment was 68.3, down 3.8 Index points from the fourth-quarter 1980 surveys, but nearly 5 Index points above the year-earlier reading. On balance, consumer sentiment has remained largely unchanged during the past 9 months, following the record low level of 54.4 recorded in the second quarter of 1980.

** Among families with incomes of $20,000 or more, the Index stood at 73.7 in the January-March 1981 surveys, down 1.6 Index points from the fourth-quarter surveys, but about 5 Index points above the year-earlier reading.

** Expected changes in nominal family income were maintained at high levels in the first-quarter 1981 surveys. Among all families in the first quarter of 1981, 27 percent expected income increases of 10% or more, nearly equal to the 29 percent recorded a year earlier. Coupled with lower rates of expected inflation, real income declines were expected less frequently in the first quarter of 1981 (42 percent) than a year earlier (53 percent).

** Two-thirds of all consumers thought current business conditions worsened during the past year, the same proportion as recorded a year earlier. In contrast, expected changes in business conditions have improved substantially: in the first quarter of 1981, improvement was expected by 37 percent (up from 17 percent in first quarter 1980), compared with 18 percent who expected further deterioration (down from 35 percent in first quarter 1980). When asked why they expected business conditions to change in the year ahead, 33 percent spontaneously referred to the Reagan administration and changes in government economic policy.

** Interest rate expectations moderated considerably in the first-quarter 1981 surveys. Among all families, 41 percent expected interest rates to decline in the year ahead, up from 23 percent in the fourth quarter of 1980. Price expectations also moderated in the first-quarter 1981 survey. Among all families, the average expected rate of inflation during the year ahead was 7.7% in the January-March surveys, down from 9.3% in the fourth-quarter 1980 surveys, and 11.9% in the first-quarter 1980 surveys.

** Buying attitudes were less favorable in early 1981 than a year earlier. Attitudes toward market conditions for houses reached a new all-time unfavorable level, with 76 percent reporting in the January-March 1981 surveys that it was a bad time to buy houses, mainly due to high interest rates. Favorable attitudes toward market conditions for cars were held by 38 percent in early 1981, down from 44 percent in the first-quarter of 1980.

* * *

The January-March 1981 surveys indicate that consumer sentiment has remained unchanged during the first quarter of 1981. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as for the economy in general. Buying attitudes have remained unfavorable due to high interest rates. In addition, the financial strains on consumers have led them to become more reluctant to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

No Improvement in Sentiment

In the January-March 1981 Surveys, the Index of Consumer Sentiment was 68.3, down 3.8 Index points from the fourth quarter 1980 surveys, but 4.8 Index points above the year-earlier reading. Following the record low of 54.4 in the second quarter of 1980, the Index rose to 67.8 in the third quarter 1980, and has remained unchanged on balance since then. In early 1981, perceptions of prospects for improved business conditions were somewhat less favorable than in late 1980, although in comparison with year-earlier readings, business expectations remained at much improved levels. In contrast, consumer evaluations of current economic conditions were less favorable in 1981 than in early 1980, especially attitudes toward buying conditions.

Among families with incomes of $25,000 or more, the Index value was 76.1 in the January-March 1981 surveys, down 2.2 Index points from the fourth quarter 1980 surveys, although 6.5 Index points above the year-earlier reading. In each of the four major geographic regions, as well as in each major age subgroup, the Index of Consumer Sentiment in January-March 1981 was 4 to 6 Index points higher than comparable year-earlier reading. Although the overall year-to-year changes were similar, declines recorded from late 1980 were relatively greater among residents of the South (a decline of 6.0 Index points), and among those 55 and older (a decline of 6.1 Index points).

Business Prospects Improve

In each quarter since mid-1979, at least two-thirds of all respondents thought that business conditions had worsened during the prior year, with the first quarter 1981 surveys showing no recent improvement. Among all respondents in the January-March 1981 surveys, 69 percent reported that business conditions had worsened, just above the 67 percent recorded in the fourth quarter 1980, and 66 percent recorded in the first quarter of 1980. News of recent changes in business conditions heard and recalled by respondents was somewhat more favorable in early 1981 than a year earlier, although unfavorable news items continued to dominate reports. Fewer references to increases in prices and interest rates, and more frequent references to favorable changes in government economic policies were recorded in early 1981 than a year earlier, especially among families with incomes over $20,000.

Despite the continued widespread unfavorable view of current economic conditions, improvement in business conditions during the year ahead was more frequently expected in the first quarter of 1981 than a year earlier. From early 1980 to early 1981, the overall proportion that expected improved business conditions doubled, while the proportion that expected conditions to worsen was cut in half. The first quarter 1981 and the first quarter 1980 yielded nearly reverse distributions: the proportion that expected improvement rose from 17 to 37 percent, while the proportion that expected further declines fell from 35 to 18 percent. When asked why they expected business conditions to change during the next 12 months, one-in-three respondents made references to the new administration and changes in government economic policy, a substantial increase from the one-in-ten who mentioned the same factors in the first quarter of 1980. In addition, fewer consumers cited the unfavorable impact of inflation on business conditions in 1981 than a year earlier.

When asked whether they expected a reduction in personal income taxes during the year ahead, 58 percent of all respondents in the March 1981 survey expected Congress to pass such a law, unchanged from the 58 percent recorded in February 1981 survey, but more than twice the 25 percent recorded just prior to Reagan's election. Although the February and March 1981 surveys indicate that the majority expect a tax reduction, the growth in opinion has slowed with more than one-in-three remaining unconvinced that Congress will pass such a law.

Table A

EXPECTED TAX REDUCTION

Expect Tax Reduction?	October 1980	November 1980	January 1981	February 1981	March 1981
Yes	25%	46%	41%	58%	58%
No	64	42	43	29	32
Uncertain; don't know	10	11	15	11	8
Not ascertained	1	1	1	2	2
Total	100%	100%	100%	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

Despite the two-to-one margin that expected improvement rather than deterioration in business conditions, the expected improvement was not viewed as sufficient to warrant "good times" financially. In fact, bad rather than good times financially were expected for the economy as a whole by a similar two-to-one margin. Among all respondents in the January-March 1981 surveys, 58 percent expected bad times financially in the economy as a whole, compared with 28 percent who expected good times financially during the next 12 months. Long-term business prospects were also viewed as unfavorable by the majority. During the past year, the proportion of consumers that expected bad times financially in the economy as a whole during the next five years fell from 68 percent in the first quarter of 1980, to 46 percent in the fourth quarter of 1980, and subsequently rose to 53 percent in the January-March 1981 surveys.

Part of the recent increase in unfavorable evaluations of business conditions can be attributed to a greater concern with unemployment. In the January-March 1981 surveys, 40 percent reported that they expected unemployment to increase during the next 12 months, up from 31 percent in the October-December 1980 surveys. On balance, unemployment expectations were somewhat more favorable in early 1981 than a year earlier, when 52 percent expected unemployment to increase. However, just 16 percent of all respondents expected unemployment to decline in the year ahead in the January-March 1981 surveys, but 42 percent expected unemployment to remain at the same high levels during the next 12 months.

Price and interest rate expectations moderated considerably in the first quarter 1981 surveys. Among all families, prices were expected to increase by 7.7% in the January 1981 surveys, down from 9.3% in the fourth quarter 1980 surveys, and 11.9% in the first quarter 1980. Not since early 1978 have inflation expectations been as low. Overall, the proportion that expected price increases fell from 88 percent in the first quarter of 1980 to 77 percent in the first quarter of 1981. More importantly, the proportion of respondents that expected price increases of 10% or more fell from 52 percent in early 1980, to 34 percent in January-March 1981. The same trend in price expectations was recorded among families with incomes of $20,000 or more, with the mean expected rate of inflation falling to 8.0% in the first quarter of 1981, down from 9.4% in the fourth quarter of 1980, and 11.6% in the first quarter of 1980.

When asked whether unemployment or inflation represents the more serious economic hardship facing the country, respondents continued to identify inflation as the primary concern, although the balance of opinion has shifted toward unemployment during the past year. Among all families, 51 percent in January-March 1981 thought that inflation was the more serious economic hardship, down from 66 percent in the first quarter of 1980, while 36 percent thought unemployment the more serious hardship in early 1981, up from 25 percent in the first quarter of 1980.

Although a substantial number of respondents reported that they expected improved business conditions because of changes in government economic policies, not as many respondents have yet given favorable ratings to current government economic policy. In January-March 1981, 17 percent of all respondents thought that the government was doing a good job in combating inflation and unemployment, up from 7 percent in the fourth quarter of 1980--the lowest proportion recorded under the Carter administration. In comparison with the first quarter of 1977 when Carter entered office--when Carter received his most favorable ratings--fewer people reported that the government was doing a good job in 1981 (17 percent) than in 1977 (22 percent), and more frequently rated policy as poor in 1981 (33 percent) than in 1977 (15 percent). This difference reflects the higher rates of inflation and unemployment in early 1981 compared with early 1977.

Personal Finances Remain Weak

Consumer evaluations of their current financial situations have remained at record unfavorable levels for almost two years. In January-March 1981, 45 percent of all families reported that they were worse off financially than a year earlier, just above the 44 percent recorded in both the first quarter and fourth quarter 1980 surveys. Families with incomes of $20,000 or more gave similar unfavorable evaluations of their current financial situation. In the January-March 1981 surveys, 41 percent of high-income families said they were worse off financially than a year earlier, up from 37 percent in the first quarter of 1980. When asked how their financial situation had changed during the past year, unfavorable references to inflation continue to be the predominant response. In addition, fewer high-income families mentioned receiving income increases, the proportion falling to 35 percent in the first quarter of 1981, from 44 percent in the first quarter of 1980.

Despite the unfavorable view of their current financial situation in early 1981, future improvement rather than further deterioration in the year ahead was more frequently expected, although by a small margin. In the January-March 1981 surveys, consumers expected their financial situation during the next year to improve rather than worsen by a margin of 27 to 21 percent, nearly the reverse of the record low of 21 versus 29 percent recorded in the second quarter of 1979. Among families with incomes of $20,000 or more, 32 percent expected improved personal finances in the first quarter 1981 surveys, up from 25 percent in the first quarter of 1980.

The expected improvement in their personal financial situation was due to the maintenance of nominal family income expectations at relatively high levels, coupled with declines in the expected rate of inflation, thus yielding expected improvements in real incomes. In the January-March 1981 surveys, 61 percent of all families expected family income increases during the next year, largely unchanged from the 64 percent recorded in the first quarter of 1980, and the 62 percent recorded in the first quarter of 1979. Nominal family income increases of 10% or more were expected by 27 percent of all families in the first quarter of 1981 (36 percent among high-income families), a level similar to the 29 percent recorded in the first quarter of 1980 (34 percent among high-income families), and the 23 percent recorded in the first quarter of 1979 (32 percent among high-income families). When consumers were asked whether they expected their family income or prices to increase to a greater extent during the next year, 42 percent of all families expected real income declines in the first quarter of 1981, down from 53 percent in the first quarter of 1980. A similar shift in real income expectations was recorded among high-income families, with the proportion who expected real income declines falling to 36 percent in the first quarter of 1981, from 48 percent in the first quarter of 1980.

When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the February 1981 survey. The proportion of families that reported they were not especially reluctant to use savings to make major purchases was 26 percent in February 1981, down from 38 percent in February 1980. The proportion of families that were especially reluctant to use savings rose to 69 percent in February 1981 from 54 percent in February 1980 (see Table B). On balance, families were more reluctant to use savings for major purchases in early 1981 than at any time in the prior five years.

Table B

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use savings; not especially reluctant	33%	37%	32%	32%	38%	26%
Pro-con	6	3	3	3	1	3
Not okay to use savings; especially reluctant	59	56	62	63	54	69
Don't know, not ascertained	2	4	3	2	7	2
Total	100%	100%	100%	100%	100%	100%
Cases	1106	1096	1037	1150	966	637

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

Families are also more reluctant to incur new debt to make major purchases in early 1981 than during the prior five years (see Table C). Among all families, just 12 percent reported in February 1981 that they were not reluctant to use credit, down from 19 percent in February 1980. Families who reported that they were especially reluctant to use credit rose to 85 percent in February 1981 from 80 percent in February 1980.

Table C

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Feb. 1976	Feb. 1977	Feb. 1978	Feb. 1979	Feb. 1980	Feb. 1981
Okay to use credit; not especially reluctant	20%	22%	20%	16%	19%	12%
Pro-con	5	2	2	1	1	1
Not okay to use credit; especially reluctant	74	71	77	82	80	85
Don't know, not ascertained	1	5	1	1	*	2
Total	100%	100%	100%	100%	100%	100%
Cases	1269	1203	1135	1228	1019	668

---

*Less than half of one percent.

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

Unfavorable Buying Attitudes

Attitudes toward buying conditions for houses, vehicles, and large household durables were less favorable in the first quarter of 1981 than either one quarter or one year earlier. Unfavorable attitudes toward market conditions for houses reached a new all-time record low level in early 1981, with three-in-four consumers reporting unfavorable buying conditions. Unfavorable attitudes toward the automobile market were held by one of two consumers, while unfavorable attitudes toward market conditions for large household durables were held by more than one-in-three.

The largest recent decline occurred in attitudes toward the housing market. Among all families, 76 percent reported unfavorable buying conditions for houses in January-March 1981, up from 67 percent in the fourth quarter of 1980, and 60 percent in the first quarter of 1980. Favorable evaluations of the market conditions for houses fell to 20 percent in the first quarter of 1981, from 28 percent in the fourth quarter of 1980, and 35 percent in the first quarter of 1980. When asked why they held these opinions of buying conditions for houses, 75 percent of all respondents referred to high interest rates in the first quarter of 1981, up from 66 percent in the fourth quarter of 1980, and 56 percent in the first quarter of 1980. Buy-in-advance price rationales, which were reported by one-third of all consumers in the first quarter 1978 and 1979 surveys, subsequently fell to 20 percent in the first quarter of 1980 and 10 percent in the first quarter of 1981.

Favorable buying conditions for automobiles were reported by 38 percent of all families in the first quarter 1981 surveys, down from 40 percent in the fourth quarter 1980, and 44 percent in the first quarter of 1980. Unfavorable buying attitudes rose somewhat, from 47 percent in both the first and fourth quarter 1980 surveys, to 50 percent in the first quarter 1981. The small unfavorable year-to-year shift resulted from several offsetting trends. While buy-in-advance price rationales have considerably weakened during the past several years, falling from 32 percent in the first quarter of 1979 to 21 percent in the first quarter of 1980 and 12 percent in the first quarter of 1981. Reports of high interest rates and tight credit, in contrast, rose from 6 percent in the first quarter of 1979, to 15 percent in 1980, and 25 percent in 1981. The availability of rebates and price discounts was mentioned by 23 percent in January-March 1981, up from 18 percent a year earlier, while complaints of high prices rose to 33 percent in the first quarter of 1981, up from 26 percent in the first quarter of 1980.

Attitudes toward market conditions for large household durables have remained largely unchanged during the past six months, although at somewhat lower levels than a year earlier. Among all families, 47 percent rated buying conditions for durables as favorable, down from 58 percent in the first quarter of 1980, while unfavorable evaluations rose to 38 percent from 32 percent. Underlying the growth in unfavorable evaluations were more frequent references to high interest rates in the first quarter of 1981 (24 percent) than in 1980 (14 percent), and significantly fewer mentions of buy-in-advance price rationales in early 1981 (25 percent) than in the first quarter of 1980 (41 percent).

The shift in reasoning from buy-in-advance price rationales toward postponement due to high interest rates is highlighted in Table D. During the past decade, buy-in-advance rationales reached a peak level in each market in 1973 (an average of 28 percent), and subsequently fell to a cyclical low level in 1975 (9 percent). Following the 1974-75 recession, buy-in-advance rationales rose in frequency and reached a new peak level in 1979 (36 percent). By early 1981, however, buy-in-advance rationales lost considerable appeal. These data do not indicate that inflationary psychology has ended, but that lowered price expectations and higher interest rates have made advance buying a less attractive strategy at this time.

Trends in references to high interest rates and limited credit availability have varied inversely with mentions of buy-in-advance rationales during the past decade. Expressed concern with high interest rates reached cyclical peak levels when buy-in-advance rationales were mentioned least frequently. To be sure, mentions of high interest rates and tight credit conditions have had the greatest impact on the housing market. Importantly, concern with credit conditions has become a more important factor in shaping consumer attitudes toward the car and household durables markets in early 1981.

TABLE D

SHIFTS IN BUY-IN-ADVANCE PRICE RATIONALES AND POSTPONEMENT DUE TO HIGH INTEREST RATES

(First Quarter Data)

Markets	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
a) Percent Who Mentioned Buy-in-Advance Price Rationales												
Houses	10	12	21	30	17	6	19	28	36	32	20	10
Cars	10	16	24	25	11	7	18	25	30	32	21	12
Durables	18	17	24	30	26	13	20	27	37	44	41	24
Average	13	15	23	28	18	9	19	27	34	36	27	15
b) Percent Who Mentioned High Interest Rates and Tight Credit												
Houses	56	34	14	14	41	42	22	16	9	28	56	75
Cars	15	9	2	3	4	5	2	2	2	2	15	25
Durables	14	10	3	1	3	5	1	1	2	6	14	24
Average	28	18	6	6	16	17	8	6	4	12	28	41

Summary Outlook

The January-March 1981 surveys indicate that consumer sentiment has remained unchanged during the past nine months. At the present time, there is a sizable difference between evaluations of current economic conditions and expectations for future change. Evaluations of the current financial situation of individual consumers as well as for the economy as a whole are very unfavorable and remain near the record 1980 low levels. In contrast, expectations for improvement in personal finances and business conditions were significantly more favorable in early 1981 than during 1980. Expected change in government economic policy is the primary reason for the improved business outlook. Importantly, price expectations have moderated, and helped to improve the financial outlook for consumers as well as the economy in general.

Favorable buying attitudes have remained near record low levels due to high interest rates--especially in the housing and car markets. In addition, the financial strains on consumers have led them to become more reluctant to incur new debt or to draw on savings in order to make major purchases. These results indicate that only slow gains in consumer sales can be expected during 1981.

7/10/81

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ECONOMIC BEHAVIOR

PROGRAM

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TABLES AND CHARTS

JUNE 1981

The June 1981 survey is the 153rd in a longitudinal series of surveys of consumer attitudes conducted during the last 30 years.The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior . This type of information is essential for forcasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions . One highlights recent changes in the quarterly observations for all families and for high income families . The second chart gives historical data using quarterly results.

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30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

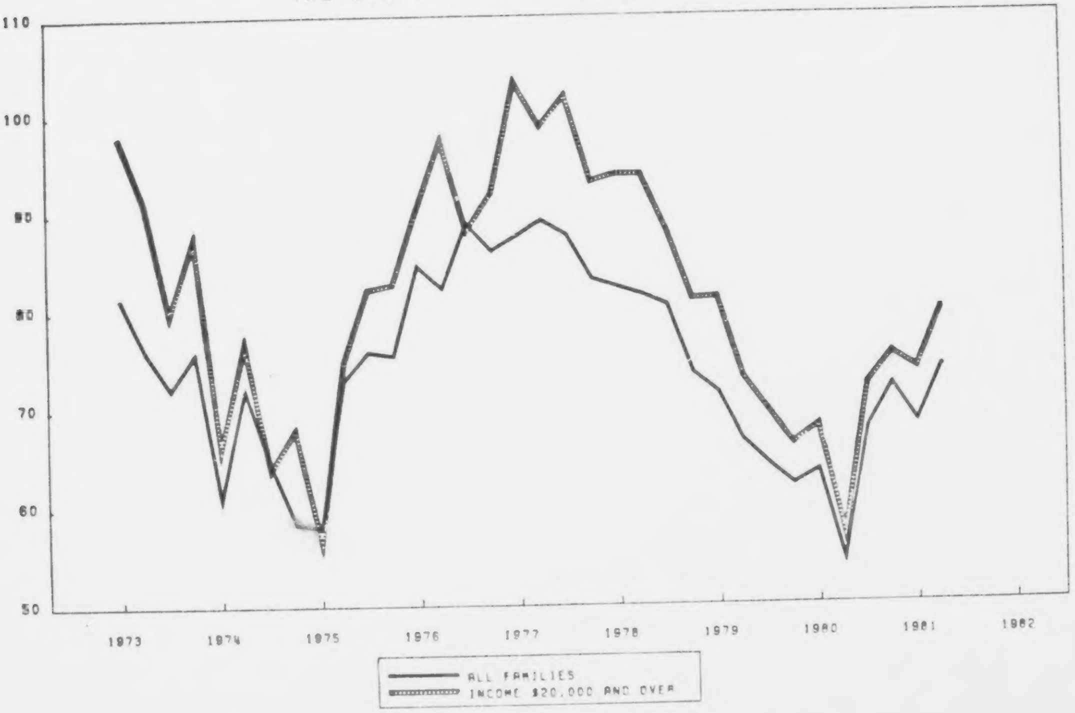

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

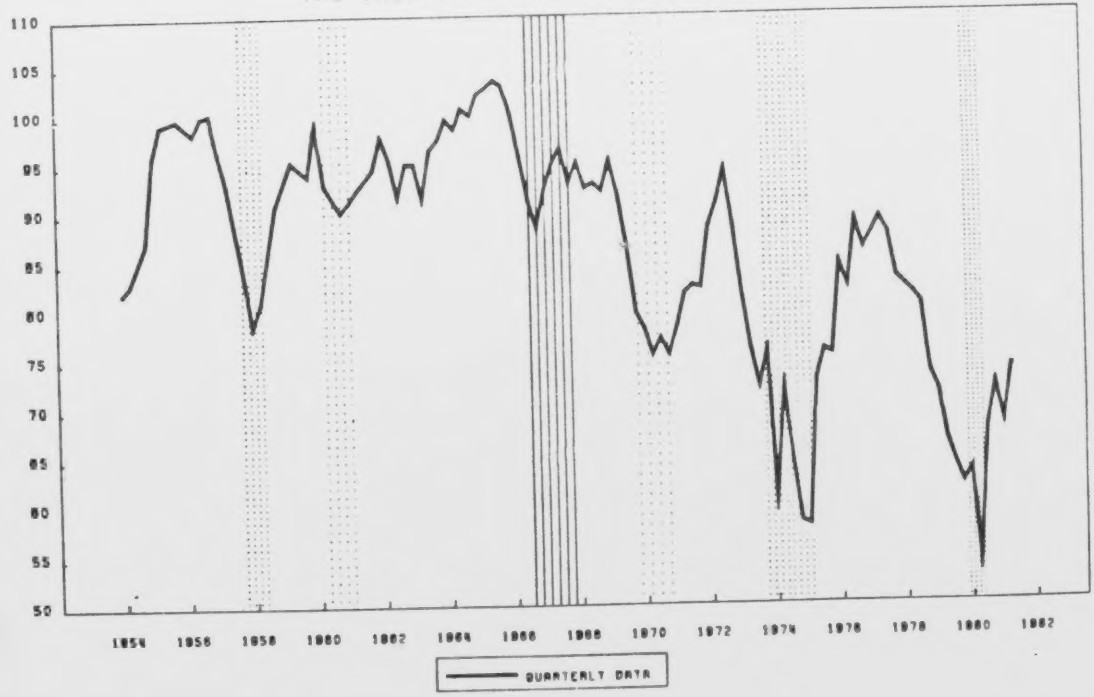

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
Apr.-June 1974	72.1	76.6	
July-Sep. 1974	64.6	63.9	
Oct.-Dec. 1974	58.3	67.9	
Jan.-Mar. 1975	58.3	56.5	
Apr.-June 1975	72.8	74.9	
July-Sep. 1975	76.0	82.1	
Oct.-Dec. 1975	75.3	82.6	
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1
Apr.-June 1981	73.9	79.7	82.0

CHART 2A

THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

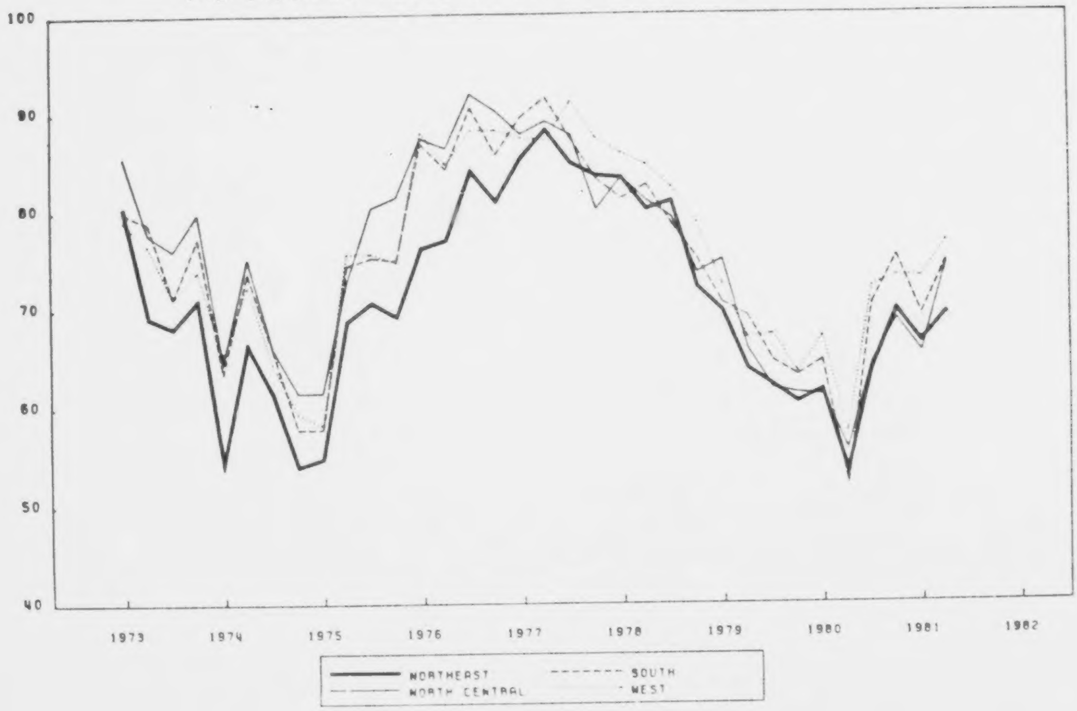

CHART 2B

THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

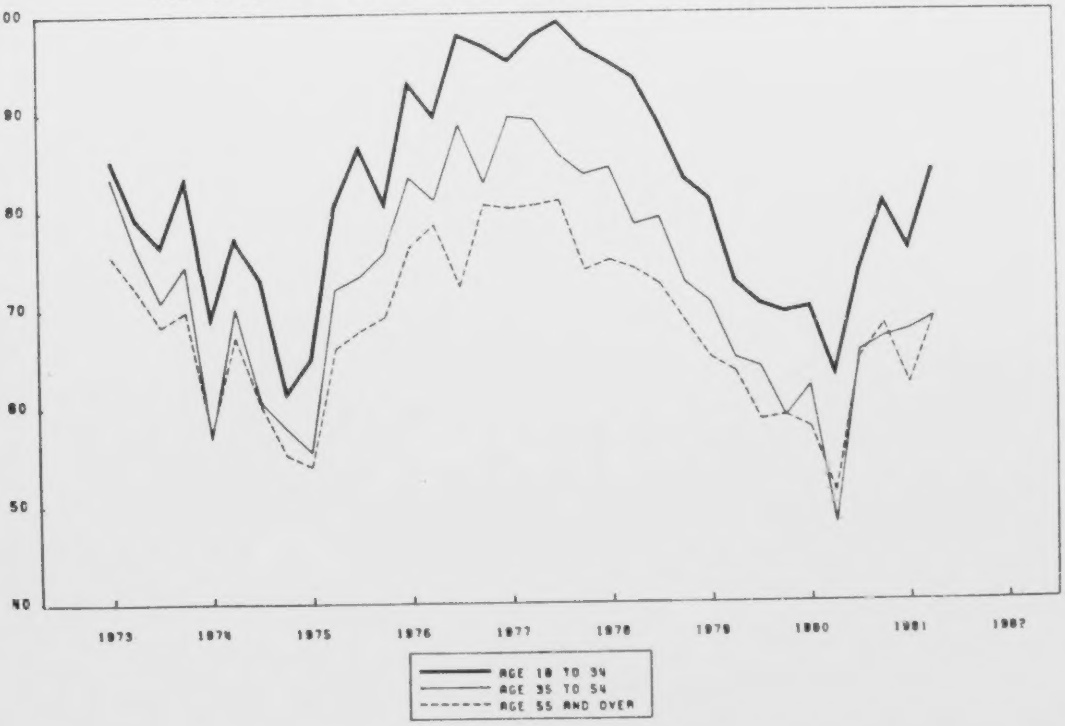

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
Apr.-June 1974	65.2	76.4	73.9	71.6	77.1	70.1	67.2
July-Sep. 1974	61.5	66.0	65.9	64.4	73.0	60.6	60.2
Oct.-Dec. 1974	54.0	61.5	57.8	59.4	66.0	58.5	55.2
Jan.-Mar. 1975	54.8	61.5	57.8	58.2	64.9	55.5	54.0
Apr.-June 1975	68.7	72.6	74.5	75.6	80.4	72.0	66.0
July-Sep. 1975	70.6	80.8	75.2	75.6	86.3	73.3	67.8
Oct.-Dec. 1975	68.2	81.3	74.9	74.7	80.6	75.6	69.3
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.8
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0
Apr.-June 1981	69.3	74.4	74.6	76.7	83.6	68.8	68.8

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

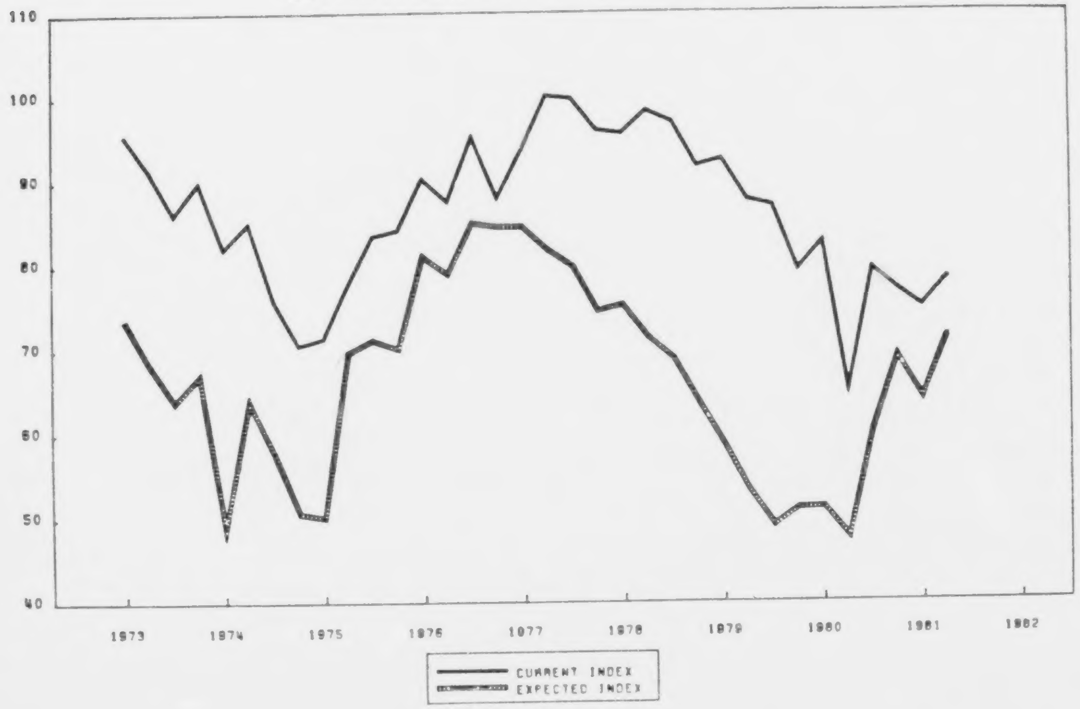

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

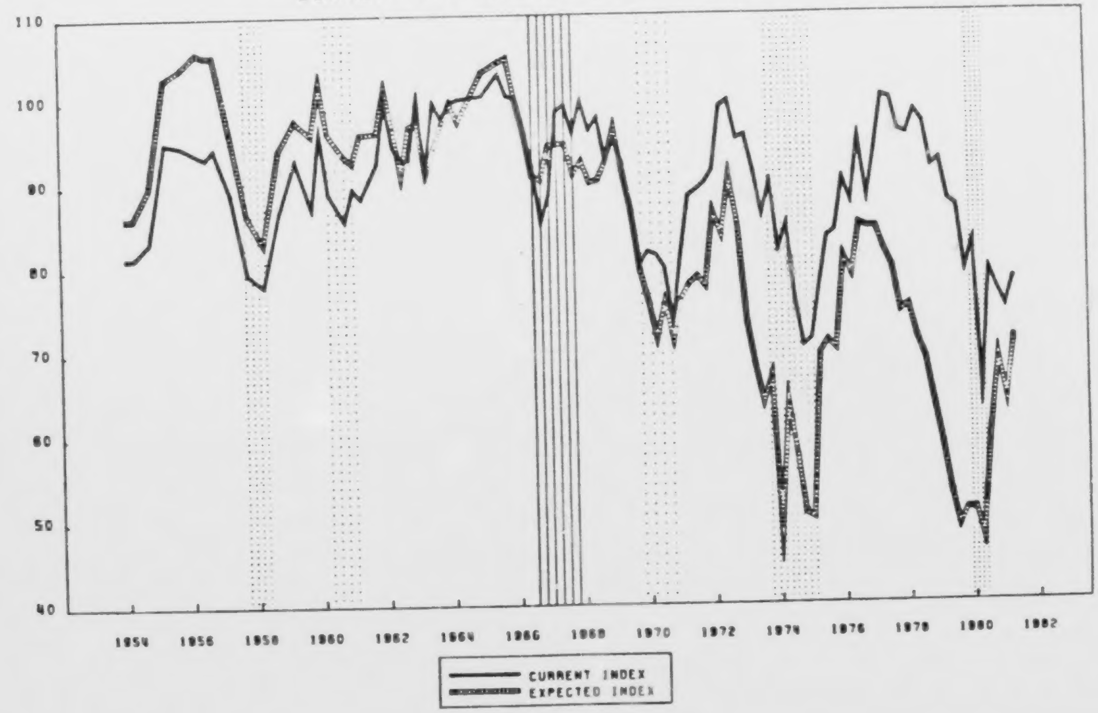

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
Apr.-June 1974	101	113	75	65	116	84.9	63.9
July-Sep. 1974	85	102	63	60	108	75.6	57.5
Oct.-Dec. 1974	84	98	45	53	96	70.6	50.4
Jan.-Mar. 1975	80	103	45	48	100	70.9	50.2
Apr.-June 1975	87	118	92	66	111	77.7	69.7
July-Sep. 1975	93	109	97	76	120	83.4	71.2
Oct.-Dec. 1975	97	119	94	64	116	83.4	70.0
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0
Apr.-June 1981	88	114	89	79	112	78.2	71.2

(1) : SEE TABLE 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

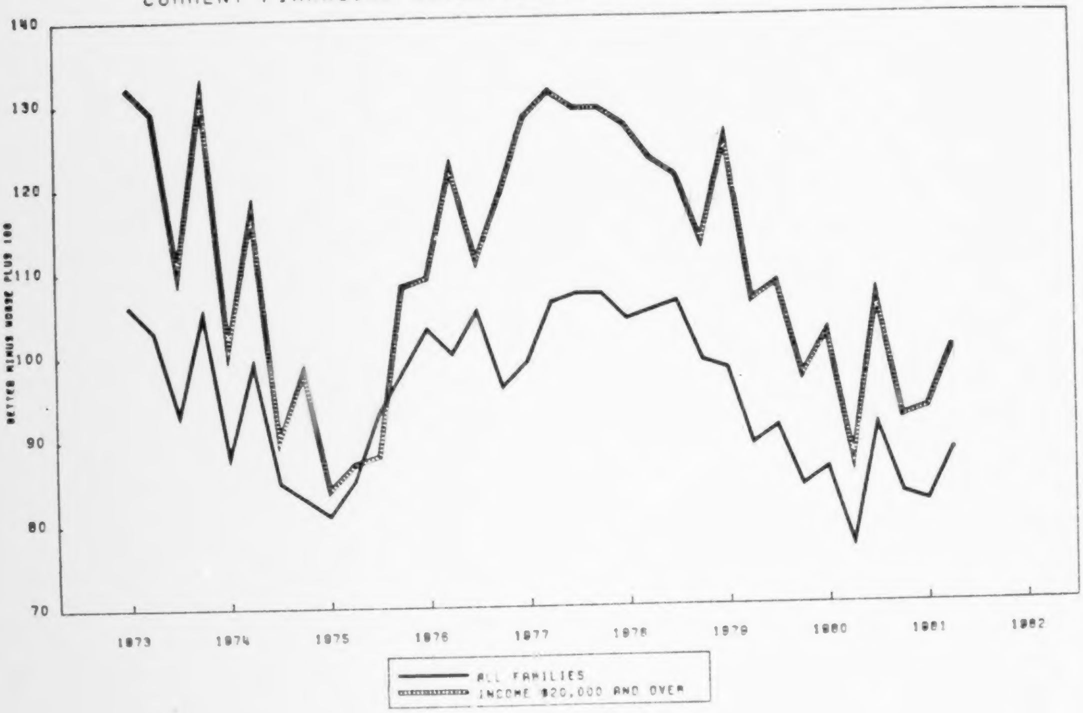

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

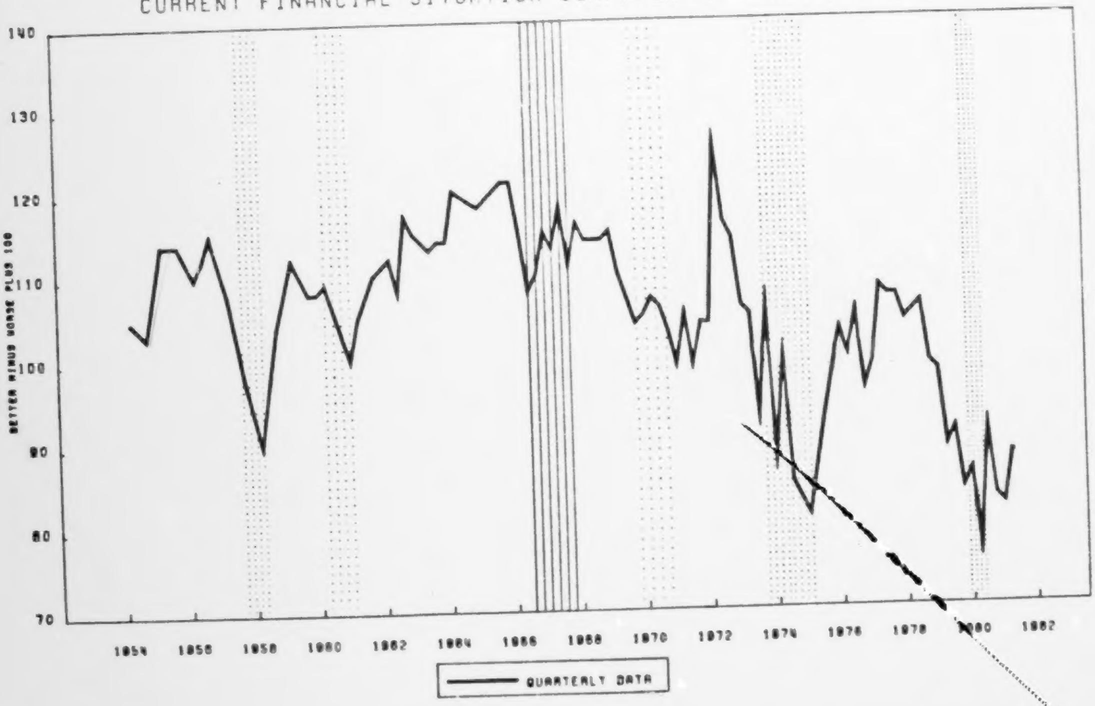

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF	38%	37%	35%	35%	32%	31%	28%	29%	25%	31%	28%	27%	28%
SAME	29	30	29	28	25	28	26	27	26	27	27	28	30
WORSE OFF	32	32	35	37	42	40	45	44	48	40	44	45	41
DK, NA	1	1	1	*	1	1	1	*	1	2	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	47%	47%	43%	50%	40%	41%	36%	39%	31%	38%	34%	34%	36%
SAME	29	27	27	25	25	26	25	24	25	29	23	24	28
WORSE OFF	24	26	29	25	35	33	39	37	44	32	42	41	35
DK, NA	*	*	1	*	*	*	*	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

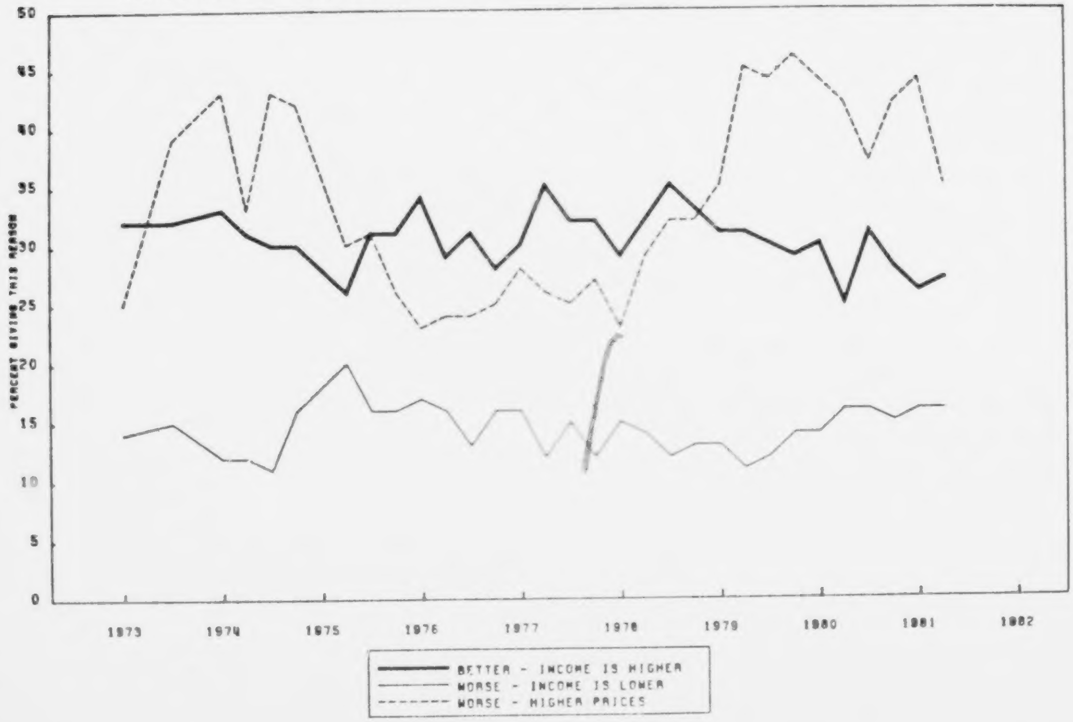

CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

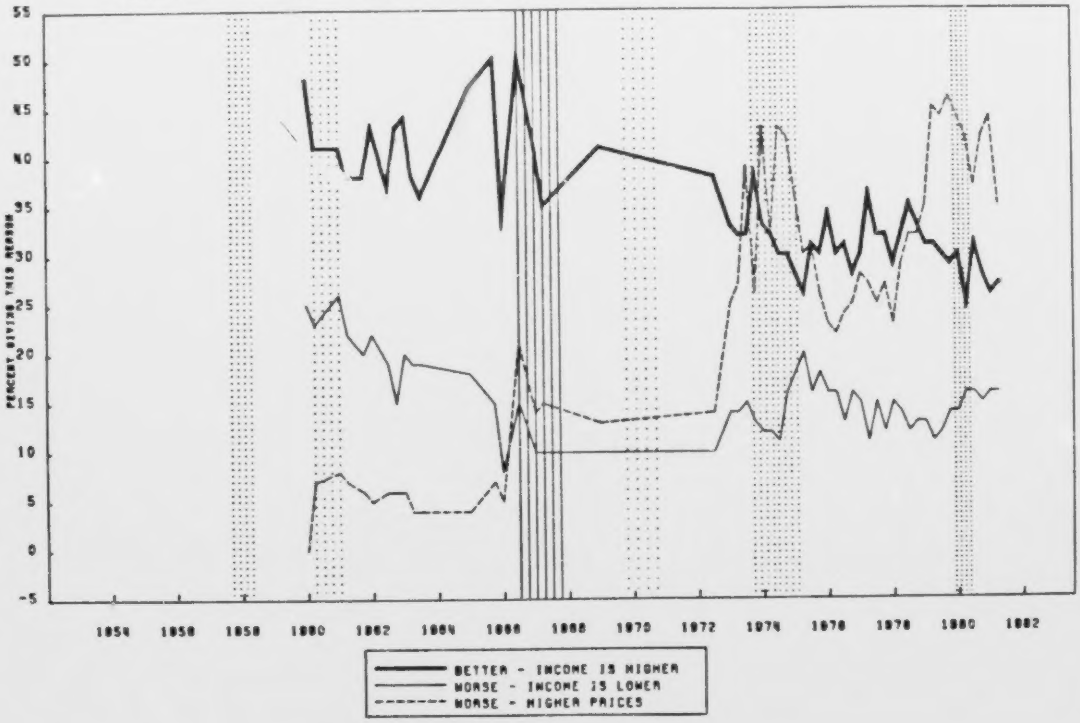

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	35%	33%	31%	31%	30%	29%	30%	25%	31%	28%	26%	27%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	12	13	13	11	12	14	14	16	16	15	16	16
Higher prices	29	32	32	35	45	44	46	44	42	37	42	44	35
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	46%	49%	44%	51%	45%	43%	41%	44%	35%	43%	37%	35%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	10	7	9	8	8	9	10	11	13	12	12	14	13
Higher prices	29	33	33	32	45	41	45	42	42	33	43	42	35

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

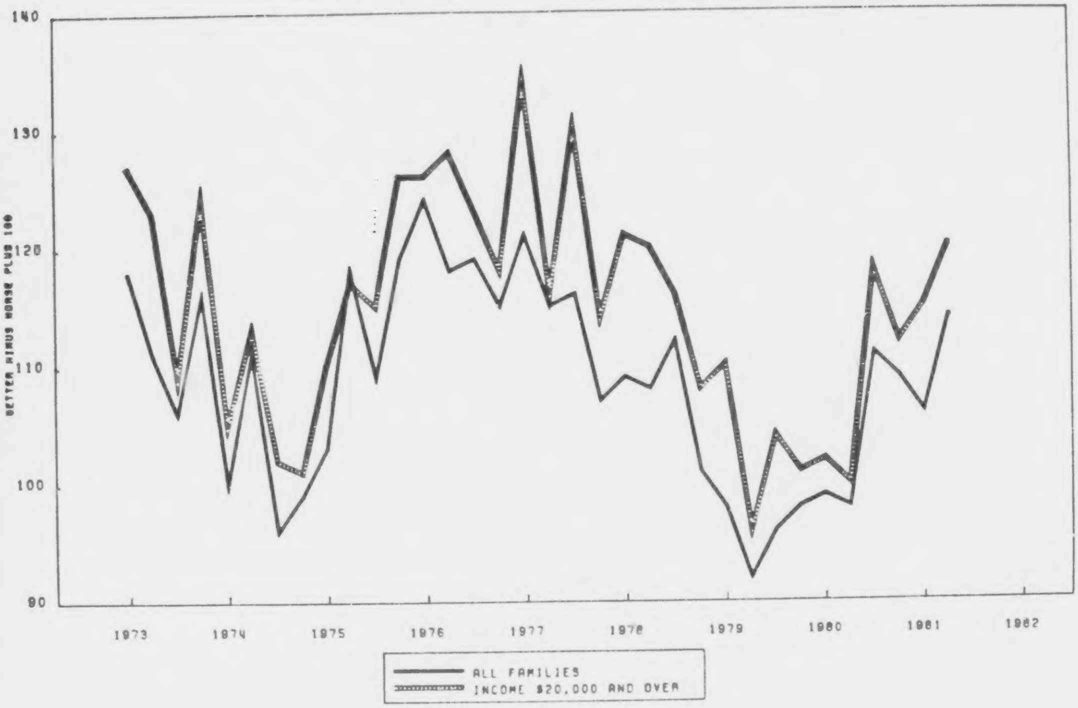

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

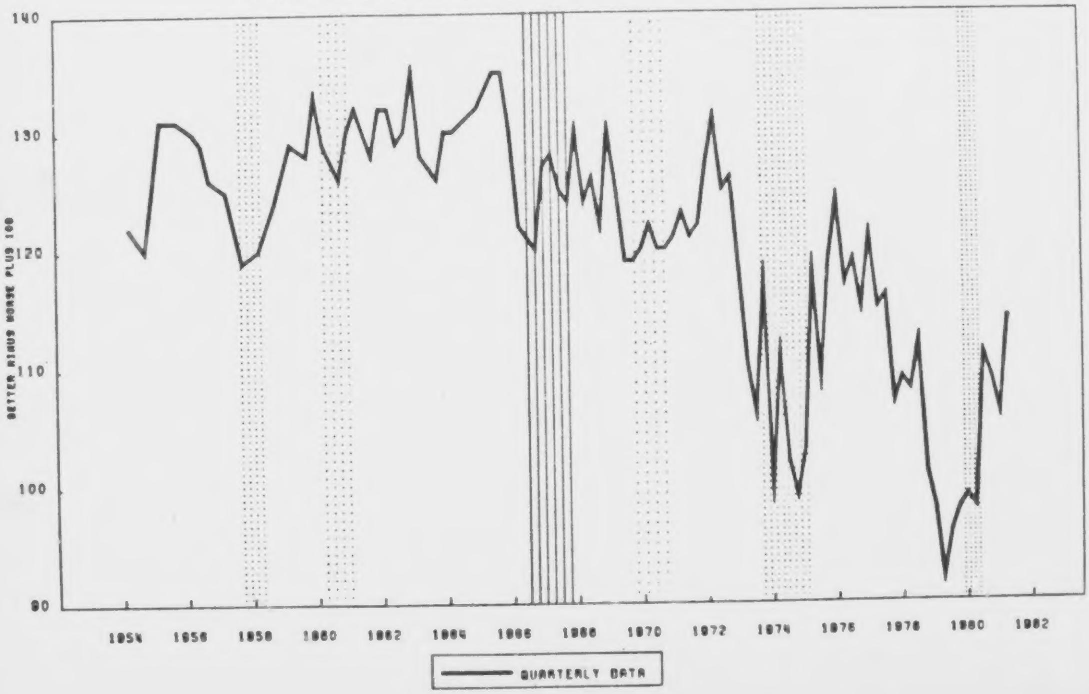

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER OFF	28%	28%	24%	23%	21%	23%	23%	24%	26%	30%	28%	27%	32%
SAME	49	51	46	48	47	48	48	46	43	47	46	47	46
WORSE OFF	20	17	23	25	29	26	26	25	28	19	20	21	18
DK, NA	3	4	7	4	3	3	3	5	3	4	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	37%	34%	30%	30%	25%	27%	26%	25%	26%	35%	32%	32%	37%
SAME	45	46	45	49	45	48	49	50	46	47	46	48	44
WORSE OFF	17	18	22	20	29	23	24	23	26	16	19	18	17
DK, NA	1	2	3	1	1	2	1	2	2	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

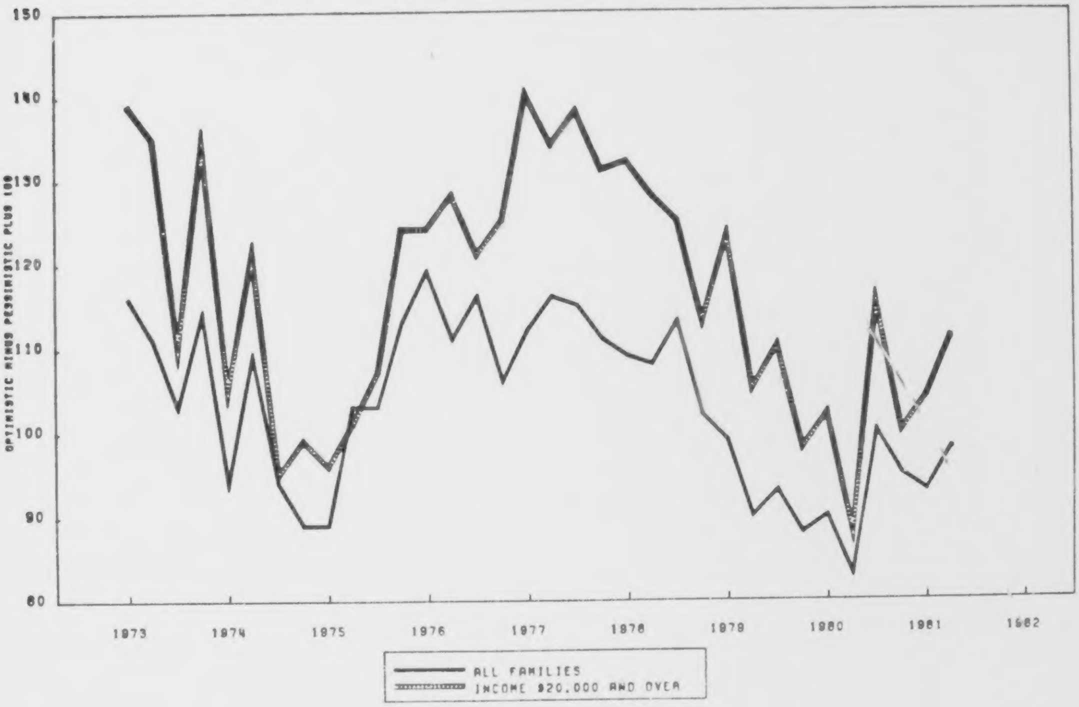

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

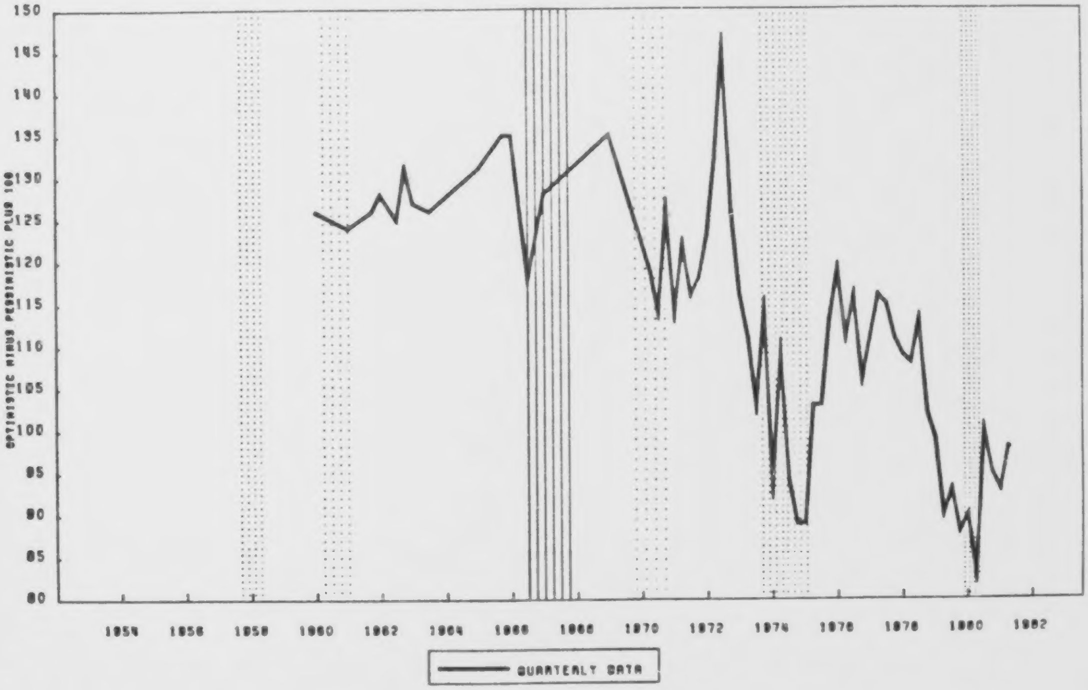

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

A. ALL FAMILIES

PERSONAL FINANCIAL PROGRESS:	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
Continuous increase (a)	16%	16%	14%	14%	11%	12%	11%	12%	10%	13%	11%	10%	13%
Intermittant increase (b)	22	25	20	20	20	20	18	19	16	20	19	19	20
Remain unchanged (c)	18	18	17	17	15	16	15	14	13	15	14	15	15
Intermittant decline (d)	19	18	19	20	22	22	24	24	26	22	24	23	25
Continuous decline (e)	11	10	13	15	19	16	18	16	17	10	12	12	10
Mixed change (f)	11	8	10	9	9	11	11	11	15	15	14	15	13
DK, NA	3	5	7	5	4	3	3	4	3	5	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

PERSONAL FINANCIAL PROGRESS:	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
Continuous increase (a)	24%	23%	20%	22%	16%	16%	13%	15%	12%	16%	15%	13%	18%
Intermittant increase (b)	27	27	24	27	24	26	21	21	17	25	21	23	24
Remain unchanged (c)	16	16	14	15	13	15	15	14	13	16	10	12	14
Intermittant decline (d)	16	13	19	15	19	18	23	22	27	19	25	23	22
Continuous decline (e)	8	12	11	11	16	13	14	14	14	7	11	10	9
Mixed change (f)	8	8	8	8	11	10	12	12	15	15	14	16	11
DK, NA	1	1	4	2	1	2	2	2	2	2	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
EXPECT INCREASE:													
1-4%	8%	5%	5%	6%	5%	5%	5%	6%	5%	6%	7%	7%	6%
5%	9	10	9	10	7	7	8	8	7	9	8	8	9
6-9%	13	11	10	14	15	17	14	14	13	14	12	10	11
10-24%	16	18	14	16	18	19	19	20	24	20	23	20	25
25% or more	8	8	7	7	8	6	6	9	7	5	7	7	7
DK how much up	9	10	11	9	8	8	8	7	8	10	9	9	8
EXPECT SAME	25	26	31	25	26	27	28	24	23	21	22	23	21
EXPECT DOWN	7	9	9	10	9	8	8	10	11	13	9	12	10
DK, NA	5	3	4	3	4	3	4	2	2	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
EXPECT INCREASE:													
1-4%	7%	5%	5%	7%	6%	4%	5%	6%	4%	6%	6%	7%	6%
5%	11	14	10	12	8	9	9	8	10	9	9	10	10
6-9%	16	17	17	22	22	18	22	20	20	19	18	14	15
10-24%	29	27	18	27	23	29	28	26	29	28	29	30	32
25% or more	5	5	9	5	8	8	8	8	6	5	7	6	6
DK how much up	9	5	12	7	6	9	5	6	4	6	7	5	4
EXPECT SAME	16	19	21	13	18	15	17	17	15	12	13	16	16
EXPECT DOWN	7	8	7	6	8	7	5	8	12	13	10	11	10
DK, NA	*	*	1	1	1	1	1	1	*	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9

INCOME OR PRICES UP DURING THE LAST YEAR

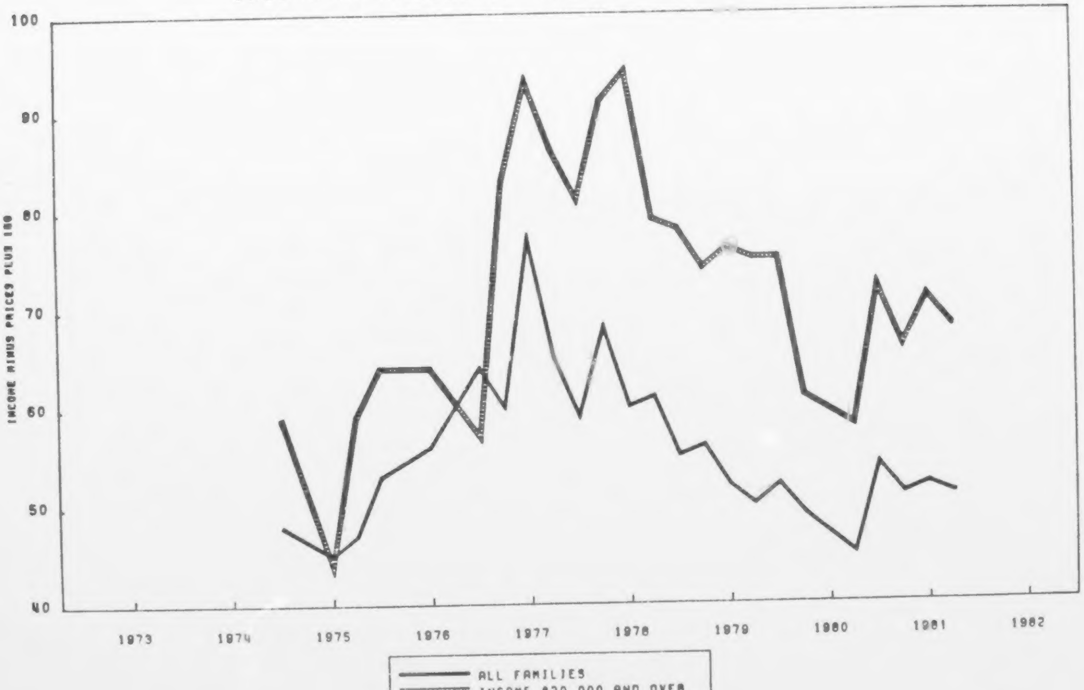

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
INCOME UP MORE	15%	13%	11%	11%	11%	12%	12%	13%	10%	12%	12%	12%	11%
INCOME UP SAME	27	29	31	27	25	25	23	27	23	28	26	26	27
PRICES UP MORE	54	56	55	59	61	61	63	59	65	59	60	60	61
DK, NA	4	2	3	3	3	2	2	1	2	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	22%	21%	18%	22%	22%	22%	16%	17%	16%	20%	16%	20%	17%
INCOME UP SAME	34	36	37	30	30	31	28	34	27	31	32	30	33
PRICES UP MORE	43	43	44	46	47	47	55	48	57	48	51	50	49
DK, NA	1	*	1	2	1	*	1	1	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10

INCOME OR PRICES UP DURING THE NEXT YEAR

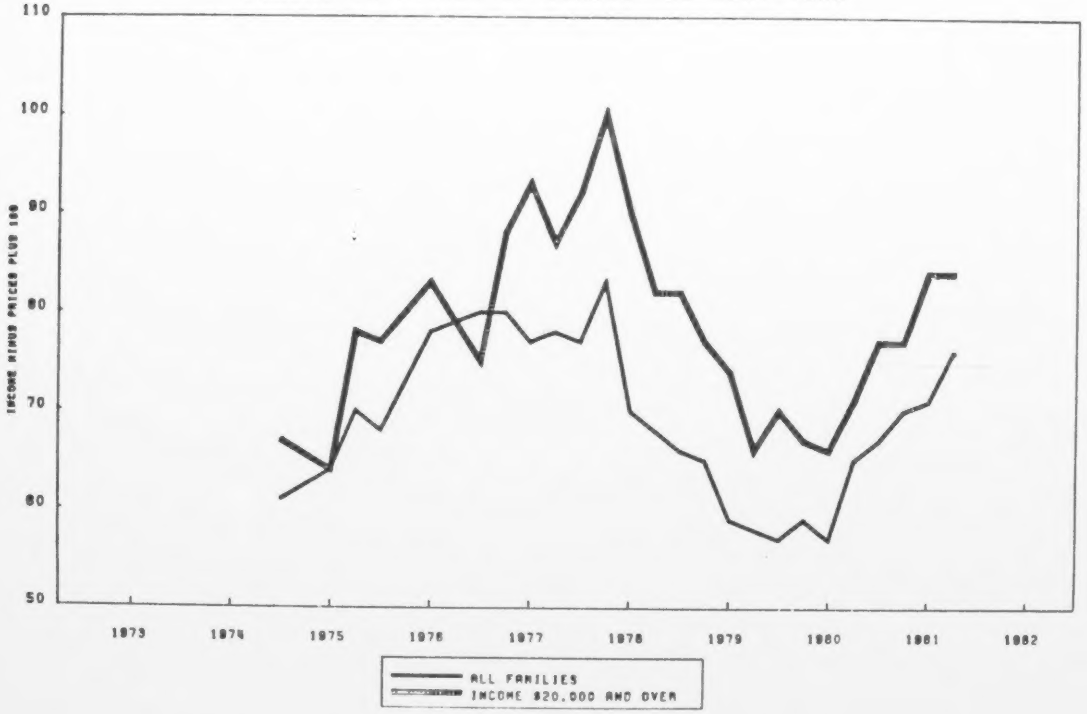

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
INCOME UP MORE	12%	11%	11%	10%	10%	11%	10%	10%	13%	12%	14%	13%	16%
INCOME UP SAME	39	39	37	35	33	33	35	34	37	39	40	40	41
PRICES UP MORE	44	47	47	51	52	52	51	53	47	45	43	42	40
DK, NA	5	3	5	4	5	4	4	3	3	4	3	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	19%	21%	17%	18%	15%	16%	14%	15%	15%	18%	16%	19%	19%
INCOME UP SAME	42	40	41	37	35	37	39	36	41	39	43	43	45
PRICES UP MORE	37	38	40	44	49	46	46	48	43	41	39	36	35
DK, NA	2	1	2	1	1	1	1	1	1	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	8%	5%	5%	4%	4%	4%	4%	7%	4%	4%	6%	6%	5%
Intermittant increase (b)	8	10	7	7	7	8	8	8	9	10	8	9	9
Remain unchanged (c)	17	18	19	18	15	15	14	16	13	16	16	16	17
Intermittant decline (d)	20	20	21	18	21	20	22	19	24	22	25	24	25
Continuous decline (e)	36	35	35	41	39	41	42	42	40	37	35	35	34
Mixed change (f)	4	6	5	6	7	7	6	6	6	6	6	5	7
DK, NA	7	6	8	6	7	5	4	2	4	5	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	13%	9%	9%	11%	9%	9%	7%	10%	7%	9%	9%	11%	9%
Intermittant increase (b)	10	14	12	12	11	14	10	9	10	15	8	12	14
Remain unchanged (c)	24	24	25	20	19	20	18	22	16	17	20	19	21
Intermittant decline (d)	17	15	18	17	17	18	22	18	25	20	25	22	22
Continuous decline (e)	30	29	31	31	34	32	34	34	34	31	29	28	28
Mixed change (f)	4	8	3	7	7	6	8	6	7	6	6	6	5
DK, NA	2	1	2	2	3	1	1	1	1	2	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

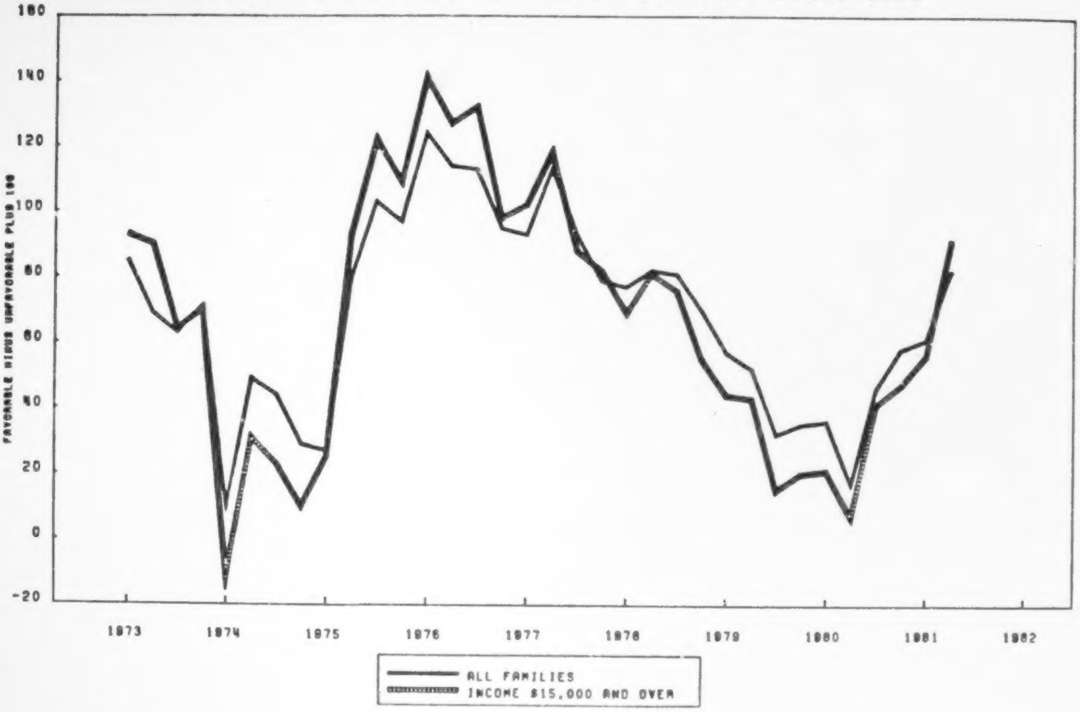

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

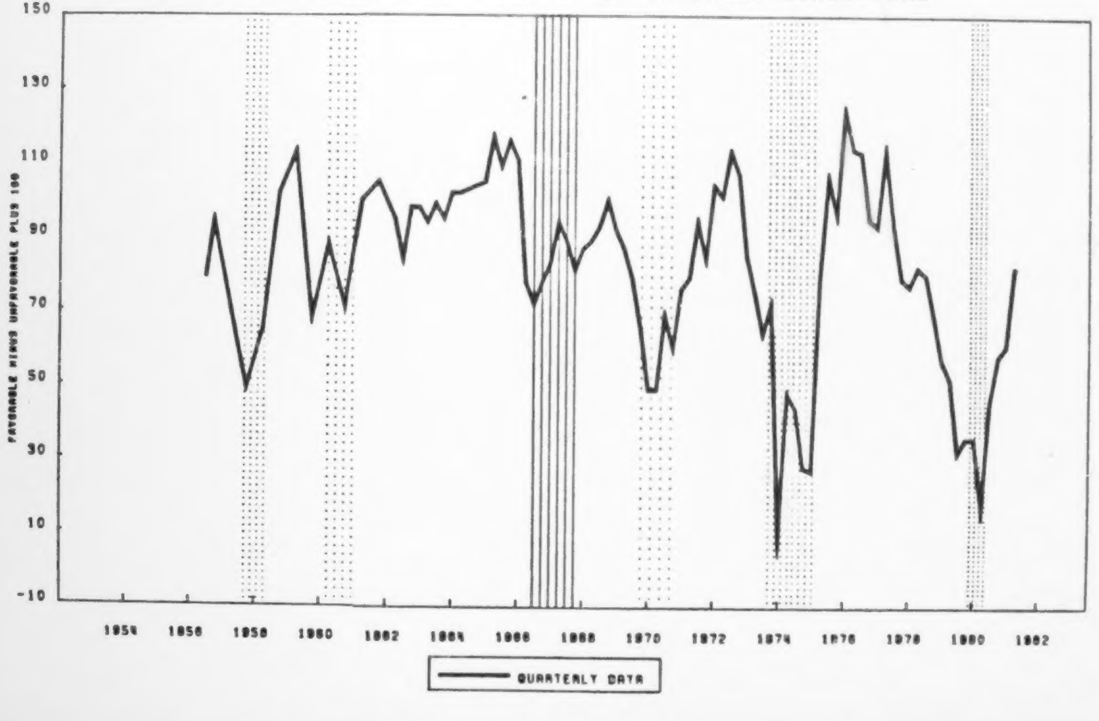

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
FAVORABLE NEWS	25%	22%	18%	16%	16%	12%	12%	14%	12%	24%	24%	24%	28%
UNFAVORABLE NEWS	43	42	49	59	64	80	76	78	94	79	66	63	46
NO MENTIONS	48	50	50	45	42	38	42	40	31	34	41	42	49
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	35%	30%	20%	22%	22%	15%	16%	15%	15%	31%	29%	34%	43%
UNFAVORABLE NEWS	54	55	65	78	79	100%	97	94	108	89	82	78	52
NO MENTIONS	36	37	39	31	30	26	29	31	23	26	30	30	36

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	2%	3%	3%	1%	1%	1%	1%	1%	1%	1%	4%	7%	5%
Employment	9	8	7	6	6	5	4	5	2	6	7	6	6
Higher consumer demand	2	2	2	2	1	1	1	1	1	2	2	1	3
Lower prices	*	1	*	1	1	*	1	1	1	1	1	1	2
Easier credit	*	*	*	*	*	*	*	1	4	7	1	3	3
UNFAVORABLE NEWS:													
Government; elections	4	5	3	5	3	3	3	3	3	3	3	5	5
Unemployment	9	10	10	11	12	18	18	17	37	33	22	18	16
Lower consumer demand	2	1	2	3	3	7	8	9	9	11	9	11	5
Higher prices	10	10	11	15	18	18	13	16	12	12	9	9	5
Tighter credit	3	4	7	6	3	5	14	13	16	6	13	8	7
Energy crisis	*	1	1	4	11	10	4	3	1	1	1	1	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	1%	2%	4%	3%	2%	1%	1%	1%	2%	1%	5%	12%	9%
Employment	13	12	7	7	8	6	5	5	3	6	9	8	9
Higher consumer demand	4	2	2	2	2	1	1	1	*	2	2	2	3
Lower prices	*	2	1	1	*	*	1	1	1	1	1	1	3
Easier credit	1	1	*	*	1	*	1	1	7	11	2	3	6
UNFAVORABLE NEWS:													
Government; elections	5	5	4	7	4	3	4	3	3	4	3	6	4
Unemployment	9	8	11	12	12	19	20	21	39	38	26	19	16
Lower consumer demand	2	1	2	3	4	10	10	12	12	13	11	13	7
Higher prices	14	12	13	20	22	21	15	18	12	9	9	10	6
Tighter credit	6	9	11	11	6	8	22	18	23	8	19	15	10
Energy crisis	*	2	1	7	14	12	5	3	1	1	1	1	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

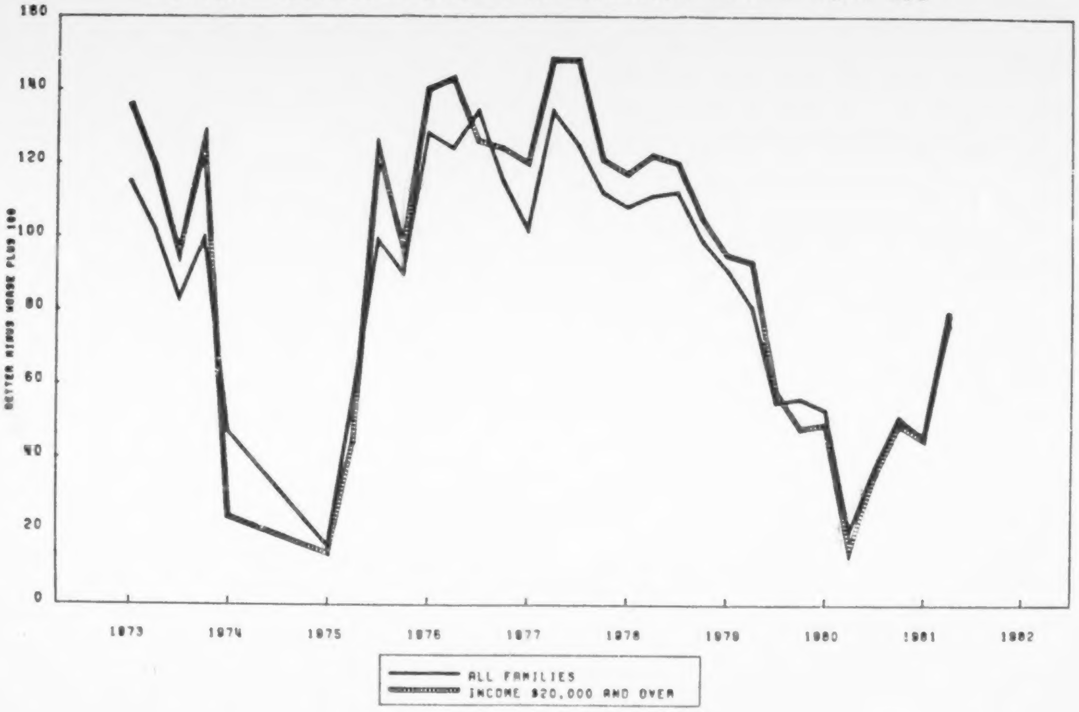

CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

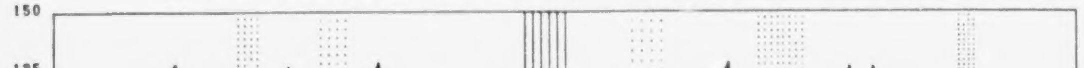

TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
BETTER NOW	46%	46%	38%	36%	32%	21%	20%	19%	7%	15%	19%	15%	28%
SAME	16	15	19	15	14	10	12	12	6	7	11	14	17
WORSE NOW	35	35	39	45	50	66	65	66	86	77	67	69	53
DK, NA	3	4	4	4	4	3	3	3	1	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER NOW	53%	52%	44%	39%	39%	23%	19%	18%	4%	14%	18%	16%	31%
SAME	15	13	15	15	13	9	10	12	5	5	11	12	16
WORSE NOW	31	33	39	45	46	66	70	69	90	80	70	71	52
DK, NA	1	2	2	1	2	2	1	1	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

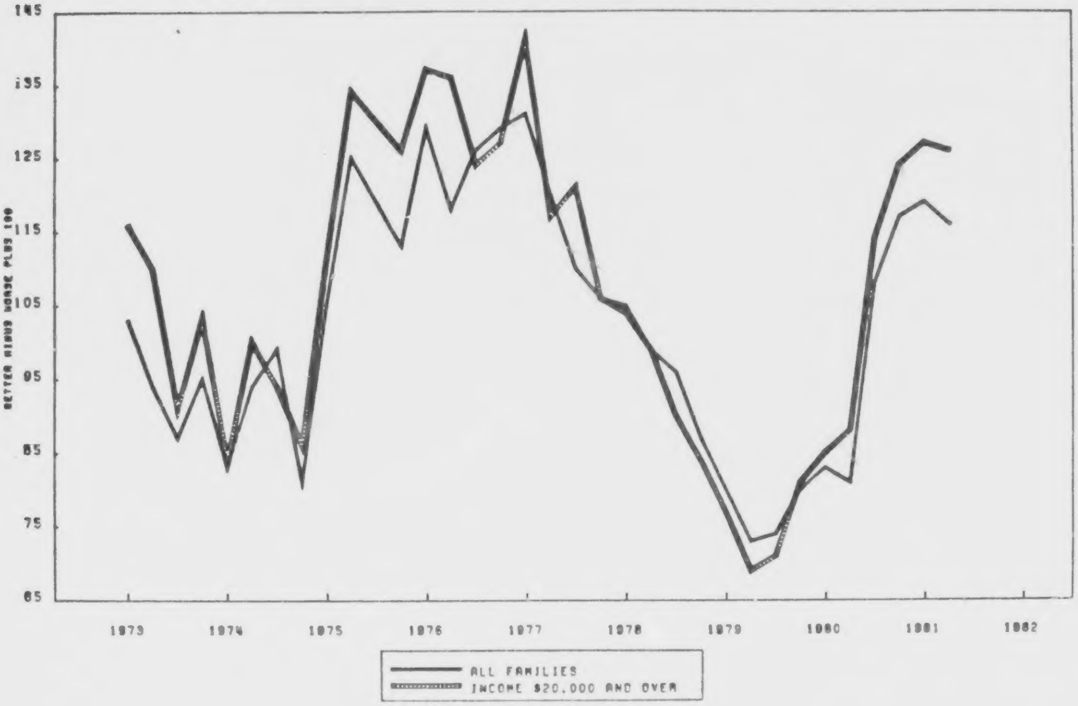

CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

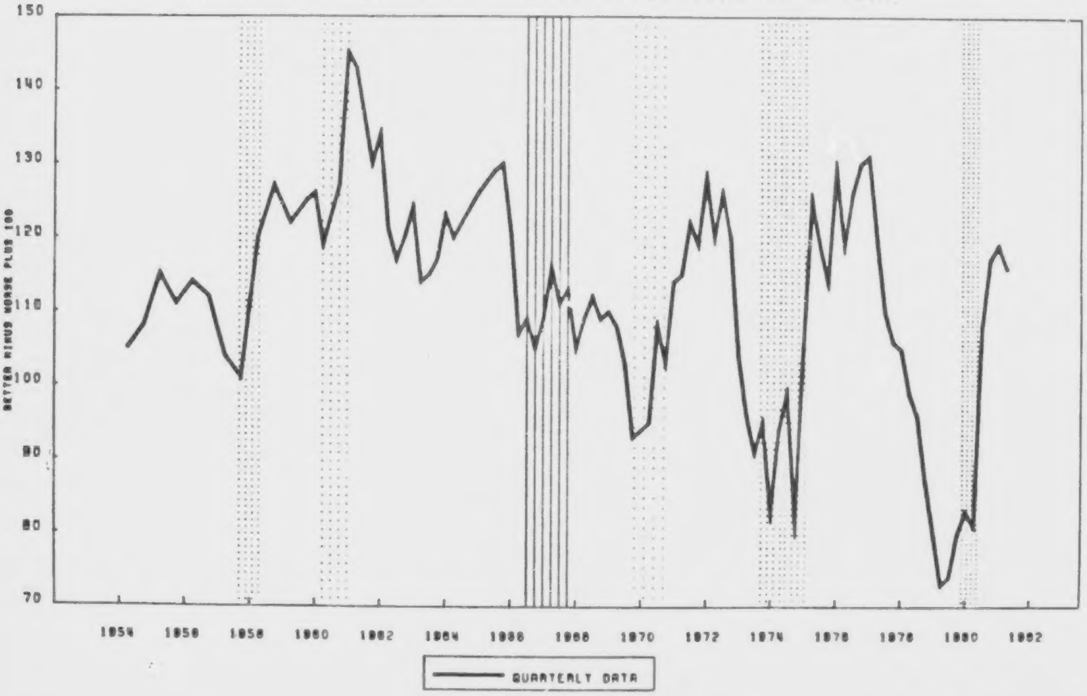

TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
A. ALL FAMILIES													
BETTER	21%	19%	17%	14%	11%	13%	15%	17%	20%	29%	34%	37%	36%
SAME	54	55	49	48	46	45	46	45	37	45	44	42	42
WORSE	22	23	29	34	39	39	36	35	39	22	17	18	20
DK, NA	3	3	5	4	4	3	3	3	4	4	5	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	22%	19%	18%	15%	13%	15%	18%	19%	24%	34%	40%	42%	41%
SAME	53	51	44	45	43	39	43	45	38	44	41	40	42
WORSE	23	29	34	38	43	45	38	35	36	20	16	15	16
DK, NA	2	1	4	2	1	1	1	1	2	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	5%	7%	6%	5%	4%	6%	9%	11%	10%	15%	26%	33%	27%
Employment	8	4	4	4	3	2	2	4	2	4	4	3	4
Higher consumer demand	3	4	3	3	4	3	2	3	2	3	3	2	2
Lower prices	1	2	3	2	1	1	2	1	3	2	3	2	2
Easier credit	*	*	*	1	1	*	2	1	3	3	2	3	3
UNFAVORABLE REASONS:													
Government; elections	8	13	8	12	9	9	8	13	10	9	9	8	9
Unemployment	6	7	5	5	5	9	9	5	12	8	6	6	6
Lower consumer demand	3	4	4	4	5	7	7	7	5	5	3	4	4
Higher prices	18	20	21	22	27	24	23	16	16	11	9	9	8
Tighter credit	1	2	4	2	3	2	7	3	7	2	4	3	3
Energy crisis	2	1	1	4	14	8	6	6	2	1	1	1	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	5%	7%	6%	7%	4%	7%	12%	15%	11%	17%	31%	38%	33%
Employment	9	5	2	3	2	3	1	4	3	5	5	3	4
Higher consumer demand	4	5	3	4	3	2	3	5	2	4	5	3	3
Lower prices	1	2	3	2	1	2	2	2	4	2	3	3	3
Easier credit	1	1	1	2	1	*	4	3	6	3	4	5	5
UNFAVORABLE REASONS:													
Government; elections	14	15	11	12	10	11	10	13	8	9	8	8	8
Unemployment	5	8	4	5	4	9	9	4	11	7	4	4	5
Higher consumer demand	3	5	4	5	5	7	7	6	5	6	4	5	3
Higher prices	24	18	21	27	31	27	28	21	15	10	10	7	7
Tighter credit	2	2	6	4	3	2	11	3	9	3	5	4	4
Energy crisis	1	1	1	6	16	12	6	5	3	1	1	2	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

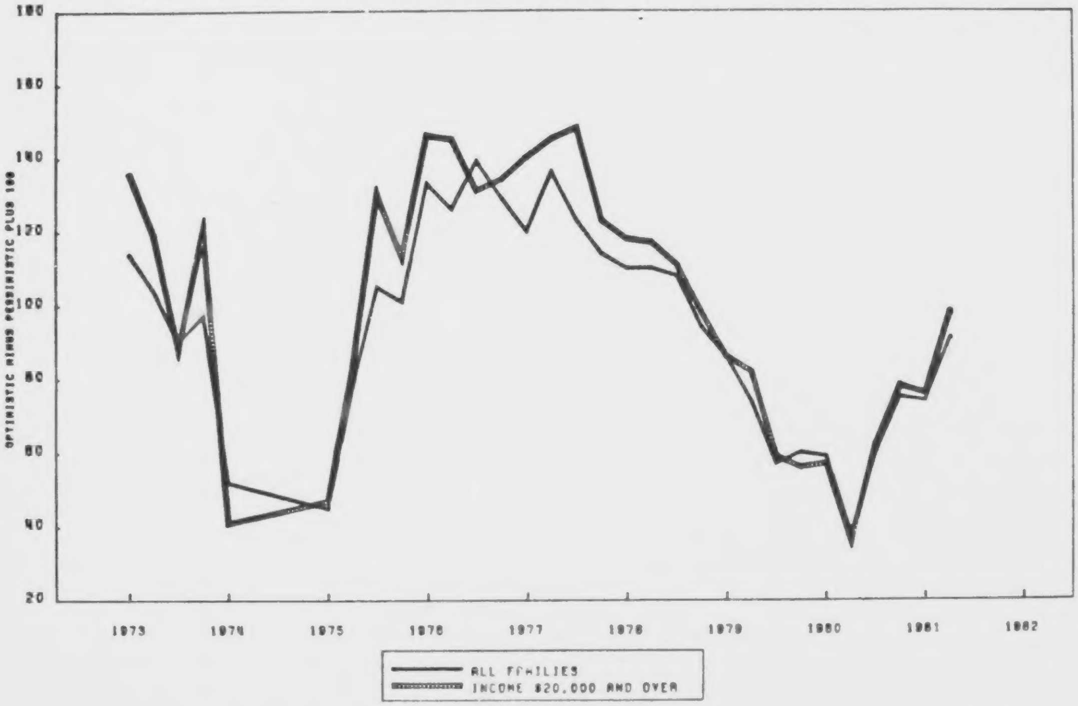

CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

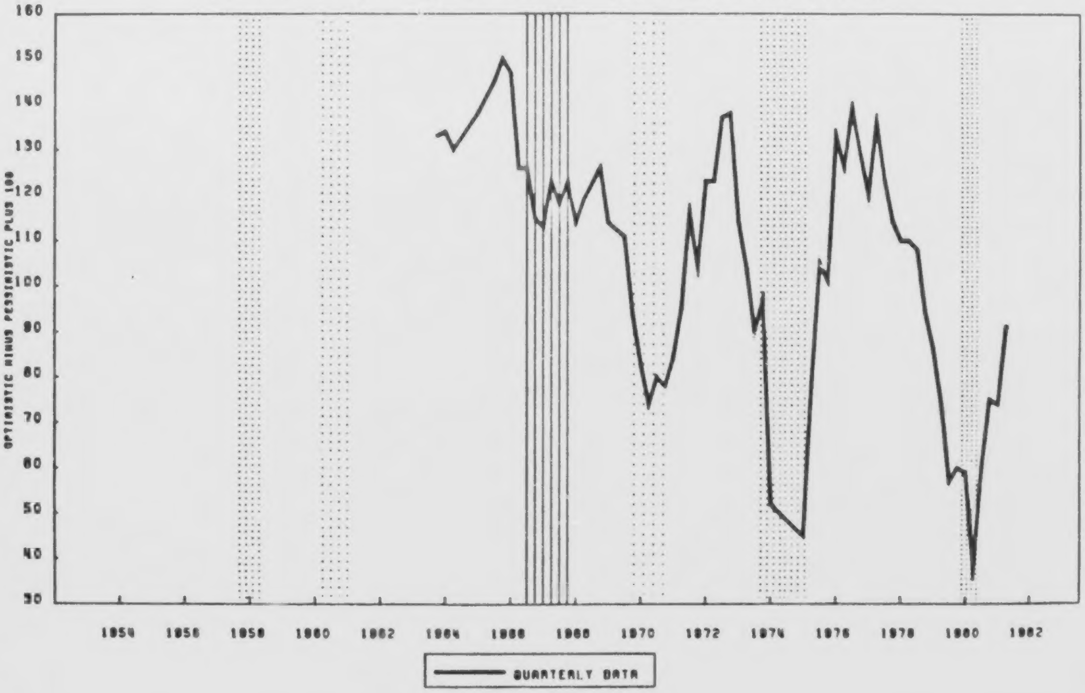

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	14%	14%	10%	8%	7%	4%	5%	6%	2%	5%	8%	7%	16%
Intermittant increase (b)	29	27	23	21	16	13	12	10	5	9	12	12	15
Remain unchanged (c)	10	10	10	9	9	5	7	7	2	3	5	7	9
Intermittant decline (d)	19	20	21	21	25	29	30	31	33	35	31	30	26
Continuous decline (e)	13	13	18	22	24	31	28	26	36	19	14	15	14
Mixed change (f)	10	10	10	12	13	13	13	15	18	24	23	24	16
DK, NA	5	6	8	7	6	5	5	5	4	5	7	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	16%	15%	11%	8%	8%	5%	5%	5%	2%	6%	10%	9%	18%
Intermittant increase (b)	31	28	24	22	20	14	12	11	3	8	12	11	17
Remain unchanged (c)	10	9	8	8	7	3	5	7	2	2	5	5	8
Intermittant decline (d)	17	17	17	21	21	26	31	31	35	35	29	31	26
Continuous decline (e)	13	16	20	23	25	34	30	27	34	18	14	13	11
Mixed change (f)	10	13	14	15	16	15	15	16	22	28	26	28	18
DK, NA	3	2	6	3	3	3	2	3	2	3	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

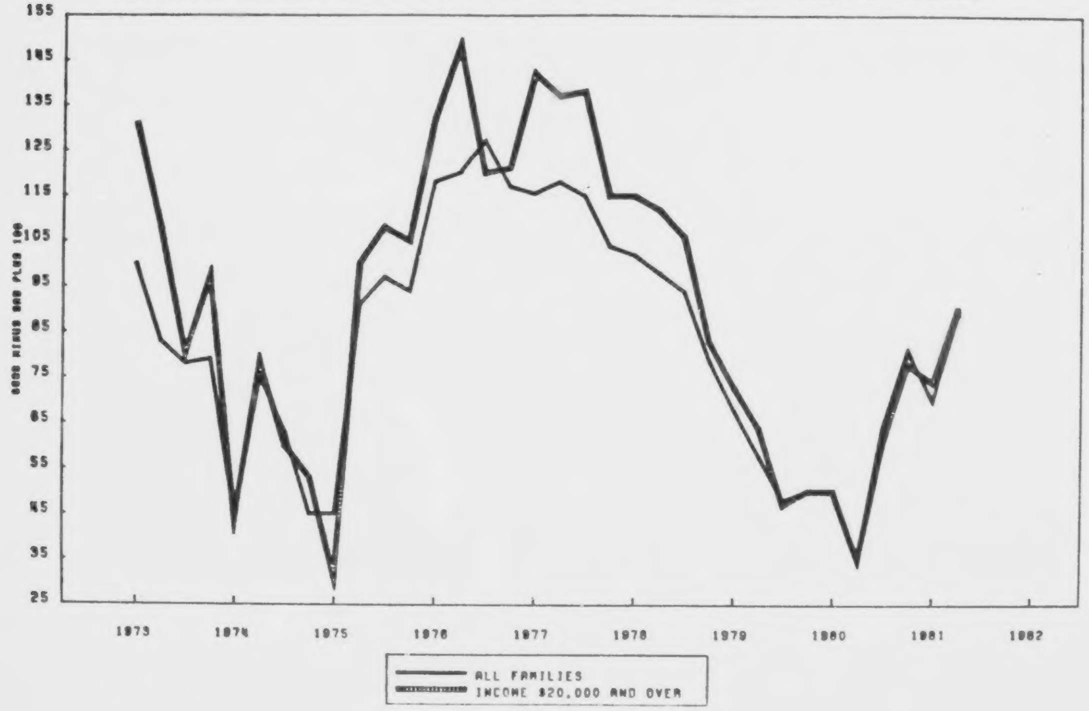

CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

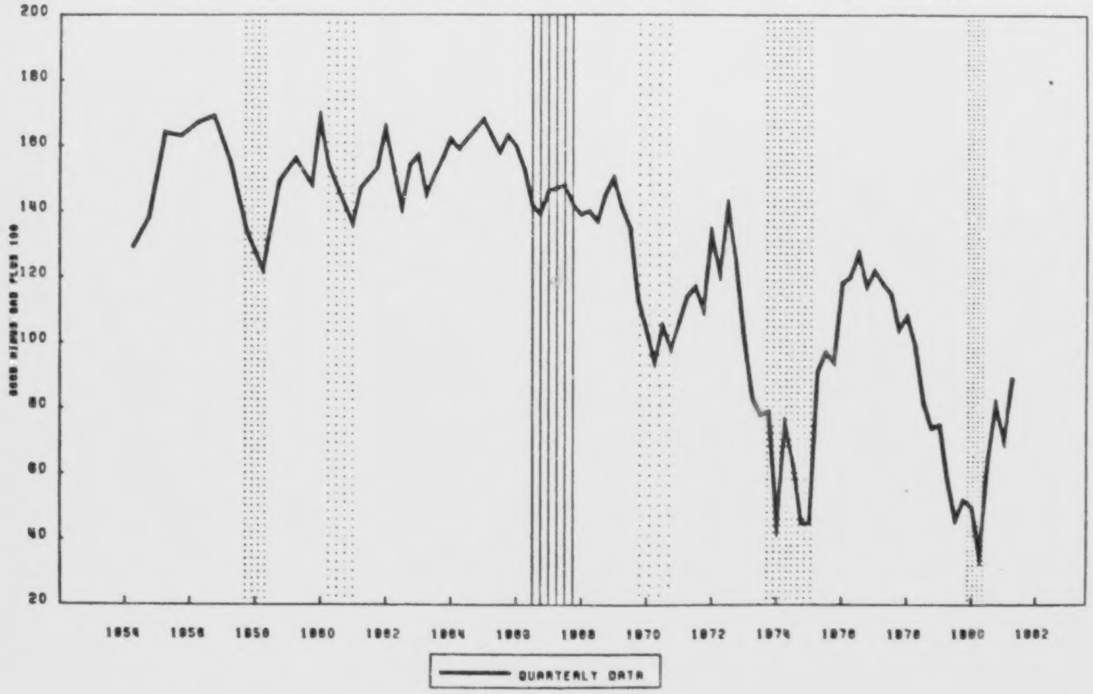

TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIMES	42%	39%	29%	25%	22%	18%	19%	20%	14%	26%	32%	28%	39%
UNCERTAIN; GOOD & BAD	5	6	8	6	4	2	2	1	1	2	2	3	3
BAD TIMES	43	45	50	57	63	69	69	70	78	63	52	58	51
DON'T KNOW	6	6	9	7	5	5	4	4	4	6	8	7	5
NOT ASCERTAINED	4	4	4	5	6	6	6	5	3	3	6	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	49%	47%	33%	30%	26%	19%	20%	21%	15%	28%	33%	33%	41%
UNCERTAIN; GOOD & BAD	7	7	9	6	4	2	2	1	2	2	2	2	3
BAD TIMES	37	42	51	58	63	72	70	71	80	66	55	59	51
DON'T KNOW	3	2	4	3	2	2	2	3	1	2	5	2	3
NOT ASCERTAINED	4	2	3	3	5	5	6	4	2	2	5	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

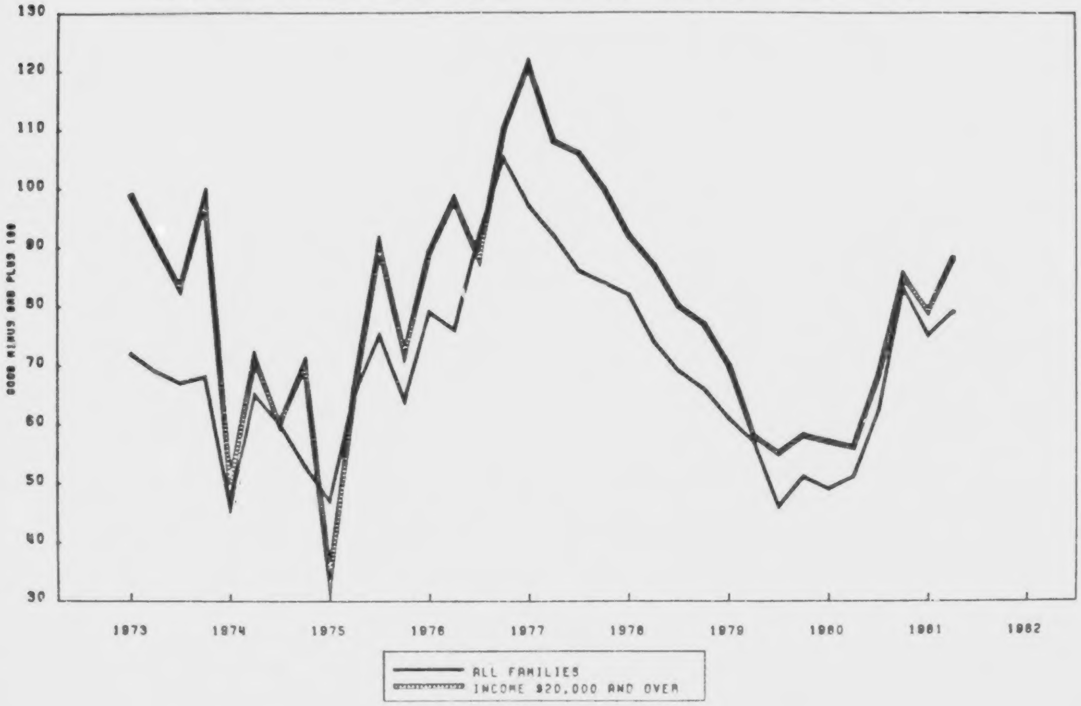

CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

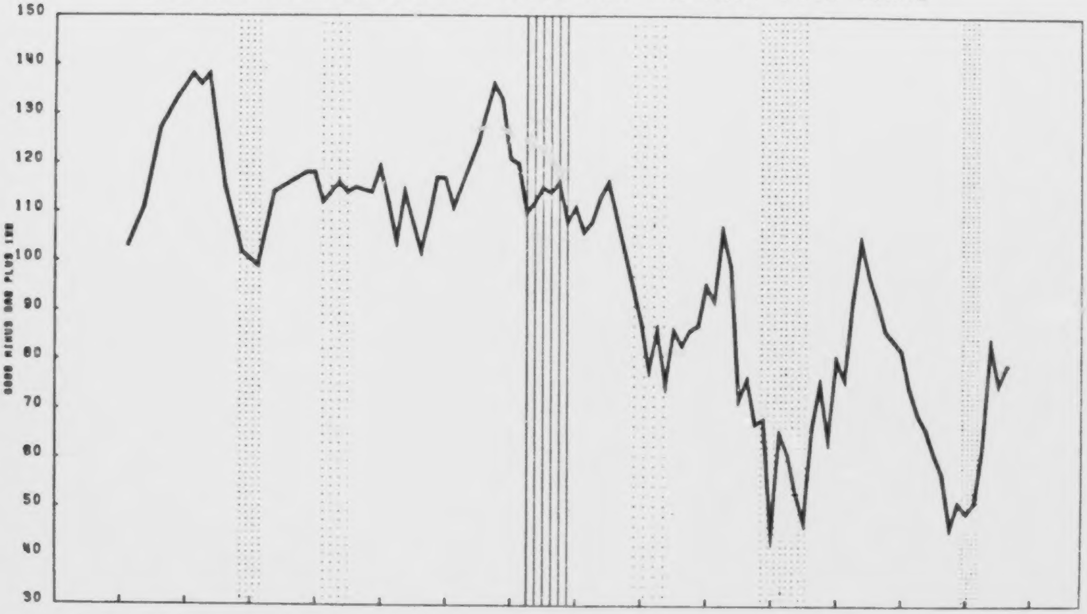

TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIMES	24%	23%	18%	19%	17%	13%	16%	17%	17%	21%	29%	28%	32%
UNCERTAIN; GOOD & BAD	16	17	20	16	15	15	14	11	12	14	17	14	11
BAD TIMES	51	54	52	58	60	67	65	68	66	59	46	53	53
NOT ASCERTAINED	9	6	10	7	8	5	5	4	5	6	8	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	32%	29%	23%	24%	18%	16%	20%	21%	19%	25%	31%	30%	36%
UNCERTAIN; GOOD & BAD	17	18	21	18	15	17	13	10	12	13	16	14	12
BAD TIMES	44	49	46	55	60	62	62	65	63	57	46	50	48
NOT ASCERTAINED	7	4	10	3	7	5	5	4	6	5	7	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

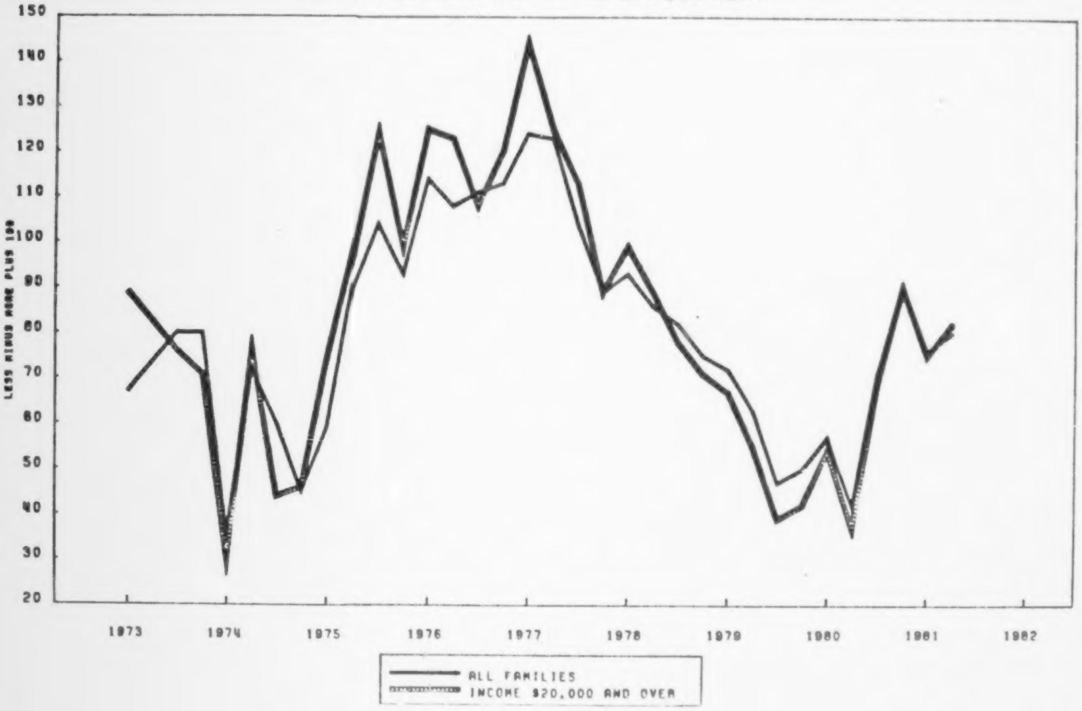

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

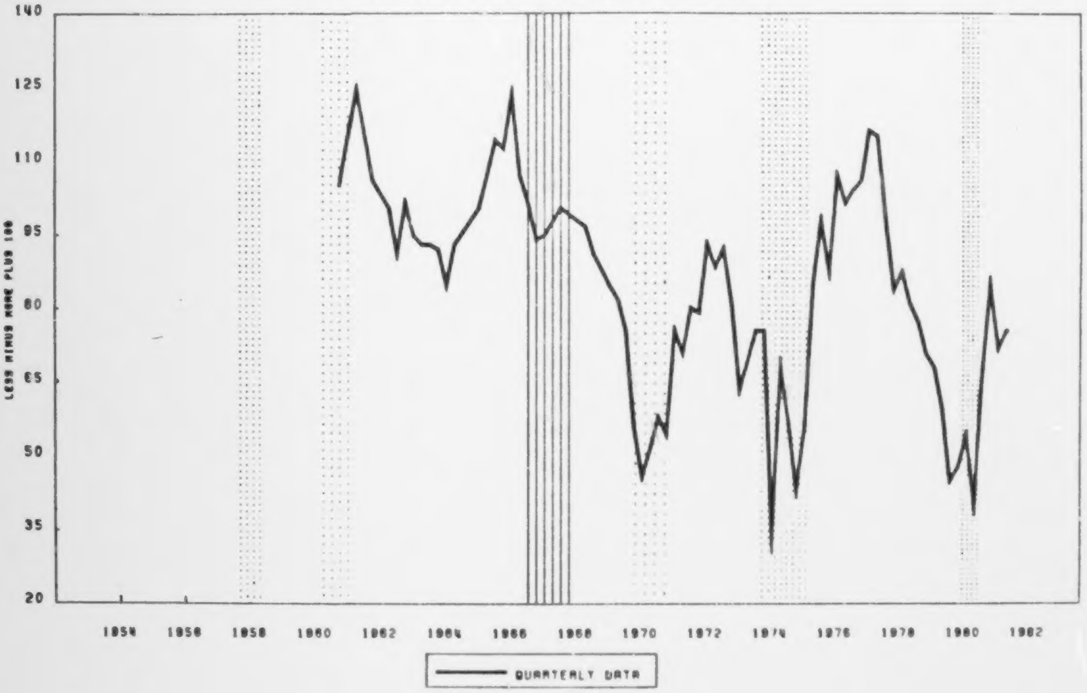

TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
A. ALL FAMILIES													
LESS	16%	14%	12%	11%	8%	6%	7%	10%	7%	17%	21%	16%	17%
SAME	51	51	47	47	42	32	34	36	26	35	45	42	44
MORE	30	32	37	39	46	60	57	52	66	46	31	40	37
DK, NA	3	3	4	3	4	2	2	2	1	2	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	16%	13%	9%	9%	5%	5%	4%	9%	7%	16%	21%	16%	18%
SAME	56	51	51	48	42	29	32	36	24	36	47	42	45
MORE	27	35	38	42	51	65	63	54	69	48	31	41	36
DK, NA	1	1	2	1	2	1	1	1	*	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

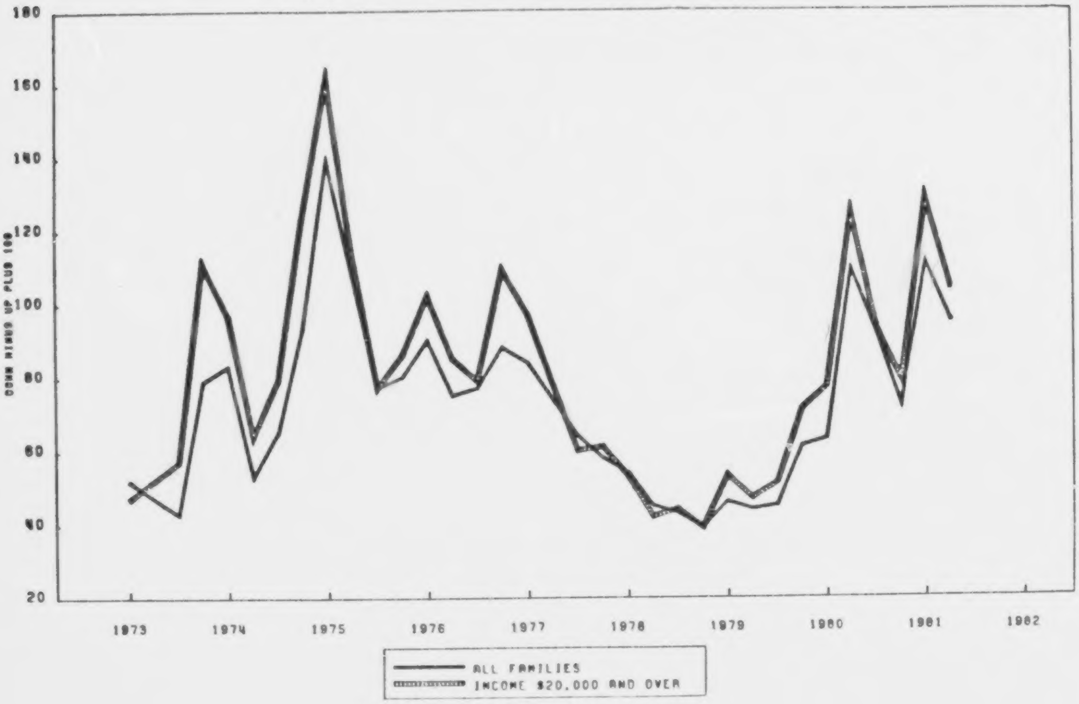

CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

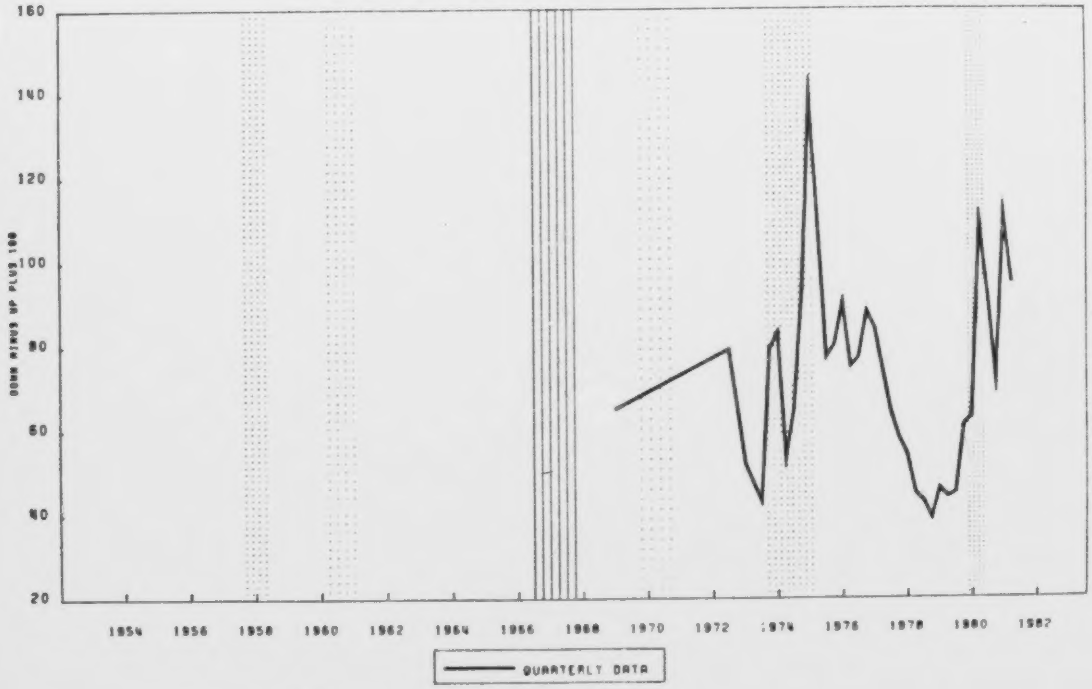

TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GO UP	61%	64%	67%	63%	64%	64%	57%	54%	34%	38%	51%	30%	37%
STAY THE SAME	29	24	22	23	24	23	21	25	20	29	20	23	28
GO DOWN	5	7	6	9	8	9	19	17	43	29	23	41	31
DK, NA	5	5	5	5	4	4	3	4	3	4	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	63%	64%	68%	58%	62%	62%	54%	47%	28%	37%	48%	22%	31%
STAY THE SAME	31	25	22	29	26	25	20	27	19	30	21	23	31
GO DOWN	5	9	8	12	9	12	25	24	52	30	27	51	35
DK, NA	1	2	2	1	3	1	1	2	1	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
SAME OR DOWN	3%	2%	4%	1%	1%	1%	1%	2%	5%	4%	2%	3%	6%
GONE UP BY:													
1-2%	3	3	3	2	1	1	2	1	1	2	2	2	4
3-4%	8	4	5	5	4	3	3	4	3	5	4	4	6
5%	11	10	7	6	6	6	5	6	5	7	9	7	7
6-9%	17	16	17	17	13	10	10	8	8	11	11	9	11
10-14%	18	21	22	27	29	30	32	28	25	22	25	31	27
15% or more	22	26	22	27	32	34	33	38	38	31	31	26	26
DK how much up	18	17	20	15	14	15	14	13	14	17	15	17	13
DK, NA	*	1	*	*	*	*	*	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.9	14.1	12.9	14.8	15.5	15.4	16.2	16.4	15.9	14.5	15.0	13.6	12.9
VARIANCE	158	160	136	162	156	146	175	164	165	160	163	123	130
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	2%	1%	2%	1%	1%	*	1%	1%	3%	5%	2%	2%	5%
GONE UP BY:													
1-2%	2	3	3	2	*	1	2	1	2	1	2	2	4
3-4%	8	4	6	5	4	1	4	2	3	5	3	3	5
5%	10	11	8	6	3	4	4	6	5	5	5	6	8
6-9%	24	25	28	24	14	11	8	9	8	12	11	11	11
10-14%	23	28	23	32	37	39	40	31	30	28	33	37	35
15% or more	22	22	20	25	34	36	36	44	41	35	34	31	25
DK how much up	9	6	10	5	6	8	5	6	8	9	9	8	7
DK, NA	*	*	*	*	1	*	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	12.1	11.7	11.8	13.1	15.0	15.1	15.5	15.9	15.4	14.5	14.8	14.0	12.2
VARIANCE	114	87	101	105	119	103	135	118	128	134	130	100	90

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up, on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

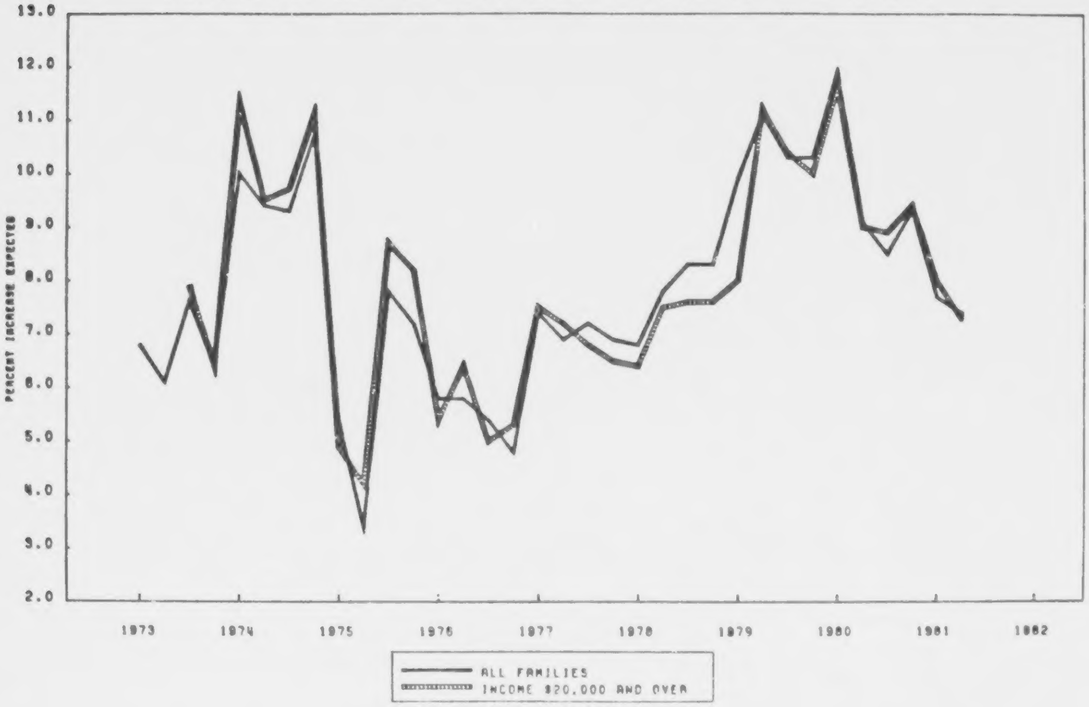

CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

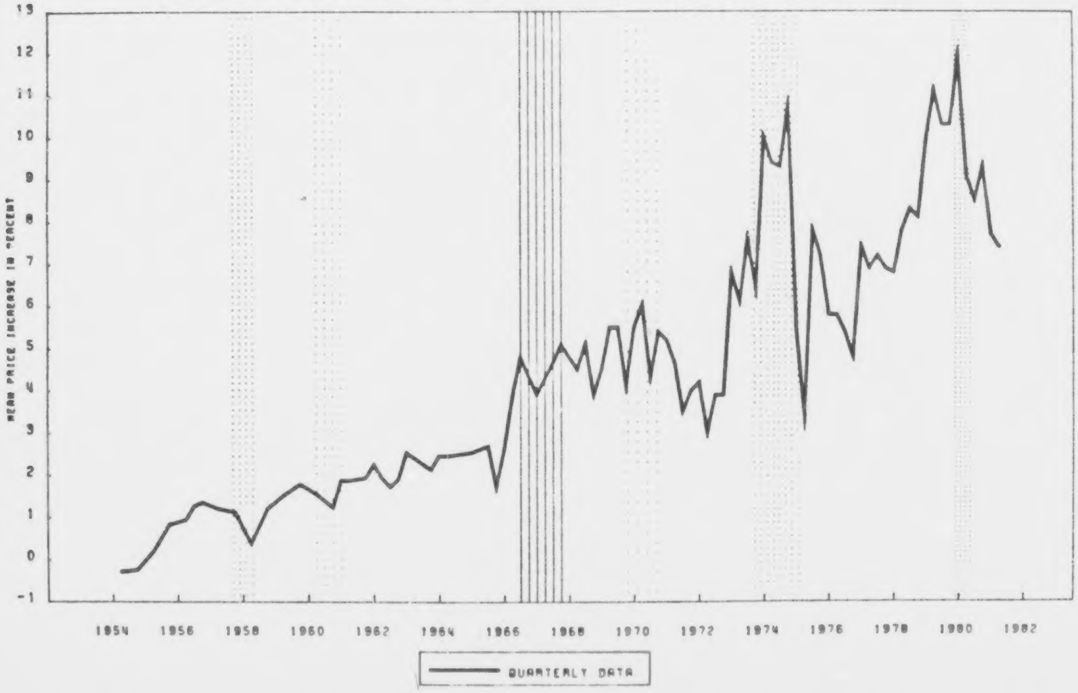

TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
SAME OR DOWN	11%	13%	10%	8%	8%	12%	13%	10%	26%	19%	21%	21%	28%
WILL GO UP BY:													
1-2%	6	5	4	4	3	3	3	3	2	5	3	3	3
3-4%	10	8	7	7	6	6	5	4	4	6	5	8	7
5%	11	12	11	9	10	9	8	9	8	10	9	9	9
6-9%	20	17	20	20	14	13	14	11	9	11	11	12	11
10-14%	14	17	20	22	26	27	27	28	20	22	23	24	21
15% or more	8	10	7	13	19	18	16	24	19	13	16	10	12
DK how much up	18	16	19	16	12	11	12	9	10	12	10	11	7
DK, NA	2	2	2	1	2	1	2	2	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.8	8.3	8.1	9.9	11.1	10.3	10.3	11.9	9.1	8.5	9.3	7.7	7.4
VARIANCE	68	74	59	94	106	94	95	115	102	78	103	62	78
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	6%	8%	6%	5%	4%	9%	11%	9%	23%	16%	16%	16%	25%
WILL GO UP BY:													
1-2%	6	5	6	3	1	3	3	3	2	4	2	3	4
3-4%	9	8	8	5	6	4	5	3	5	8	5	7	7
5%	12	13	9	9	10	8	7	7	9	11	9	12	9
6-9%	31	28	31	32	17	16	16	10	11	13	14	15	15
10-14%	21	22	22	30	36	36	35	38	24	27	28	30	24
15% or more	5	7	7	9	19	18	16	25	20	15	16	9	11
DK how much up	10	8	10	7	6	6	7	5	5	5	9	7	5
DK, NA	*	1	1	*	1	*	*	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.5	7.6	8.0	9.1	11.2	10.5	9.9	11.6	9.0	8.9	9.4	8.0	7.3
VARIANCE	37	30	39	44	81	67	66	72	75	78	77	50	56

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and 'By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

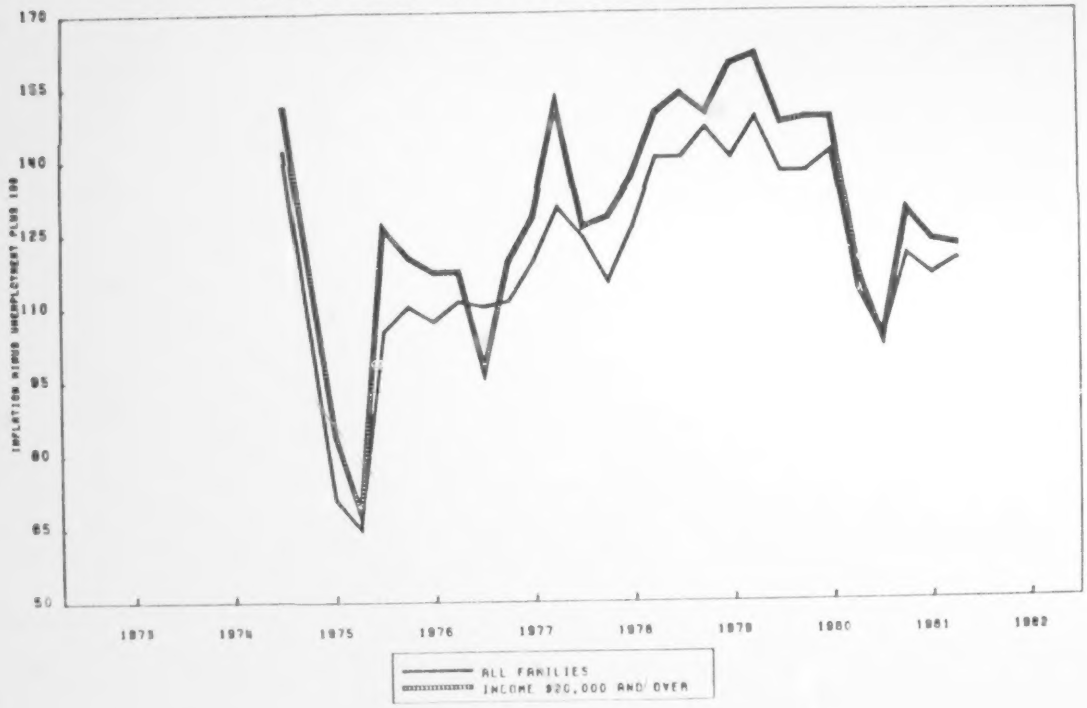

CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

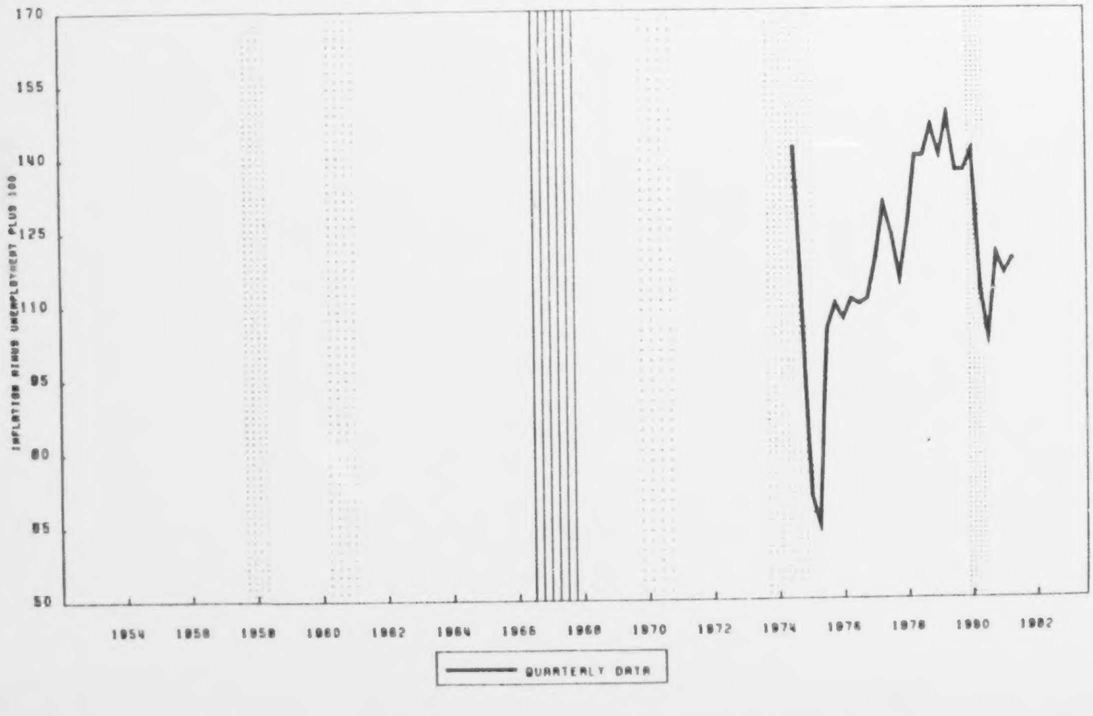

TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

A. ALL FAMILIES

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
UNEMPLOYMENT	25%	25%	21%	25%	21%	26%	26%	25%	36%	42%	34%	36%	34%
BOTH EQUALLY SERIOUS	8	7	8	7	7	9	9	7	14	10	11	11	10
INFLATION	65	65	67	65	69	63	63	66	49	45	54	51	54
DK, NA	2	3	4	3	3	2	2	2	1	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
UNEMPLOYMENT	22%	21%	21%	18%	17%	22%	23%	23%	35%	43%	33%	33%	35%
BOTH EQUALLY SERIOUS	7	5	6	5	5	8	6	6	11	11	6	9	8
INFLATION	71	74	72	77	78	69	70	71	53	45	61	57	57
DK, NA	*	*	1	*	*	1	1	*	1	1	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

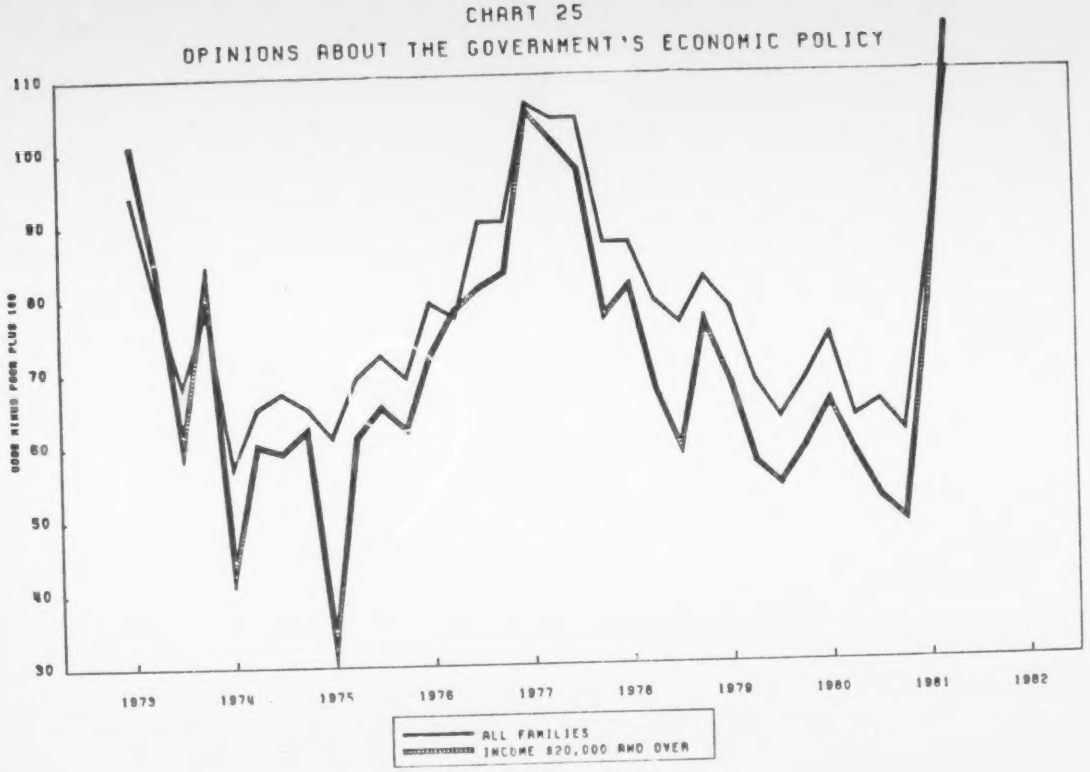

CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

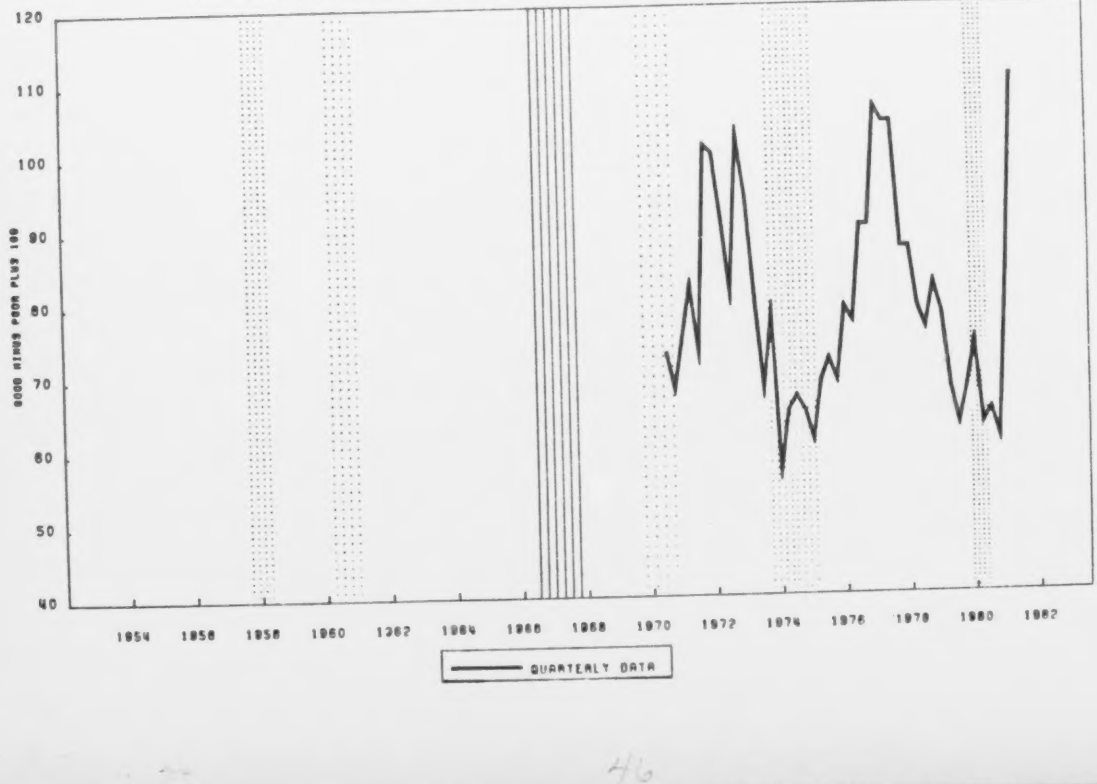

TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
A GOOD JOB	10%	10%	11%	10%	8%	7%	8%	10%	7%	9%	7%	17%	28%
ONLY FAIR	55	53	55	53	48	47	47	50	45	44	44	42	50
A POOR JOB	32	34	29	32	40	43	41	36	44	44	46	33	18
DK, NA	3	3	5	5	4	3	4	4	4	3	3	8	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	6%	6%	9%	7%	5%	5%	6%	8%	6%	5%	4%	17%	33%
ONLY FAIR	52	47	55	51	46	44	47	49	44	40	41	38	48
A POOR JOB	40	46	33	39	48	50	46	42	49	53	54	39	17
DK, NA	2	1	3	3	1	1	1	1	1	2	1	6	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government—I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

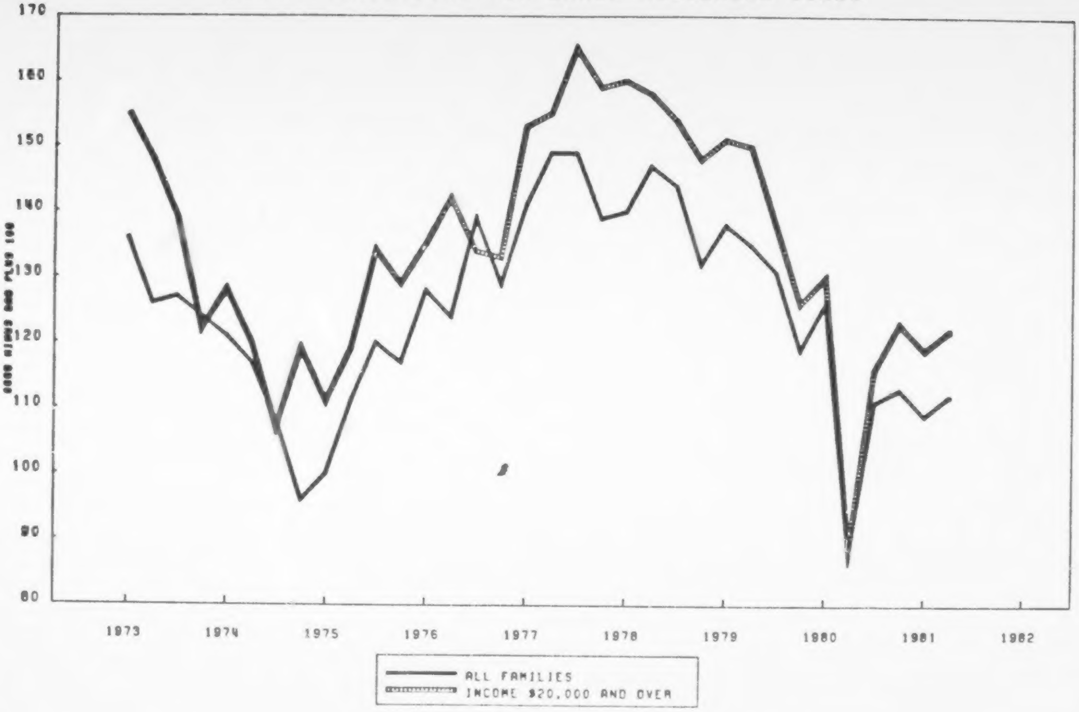

CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

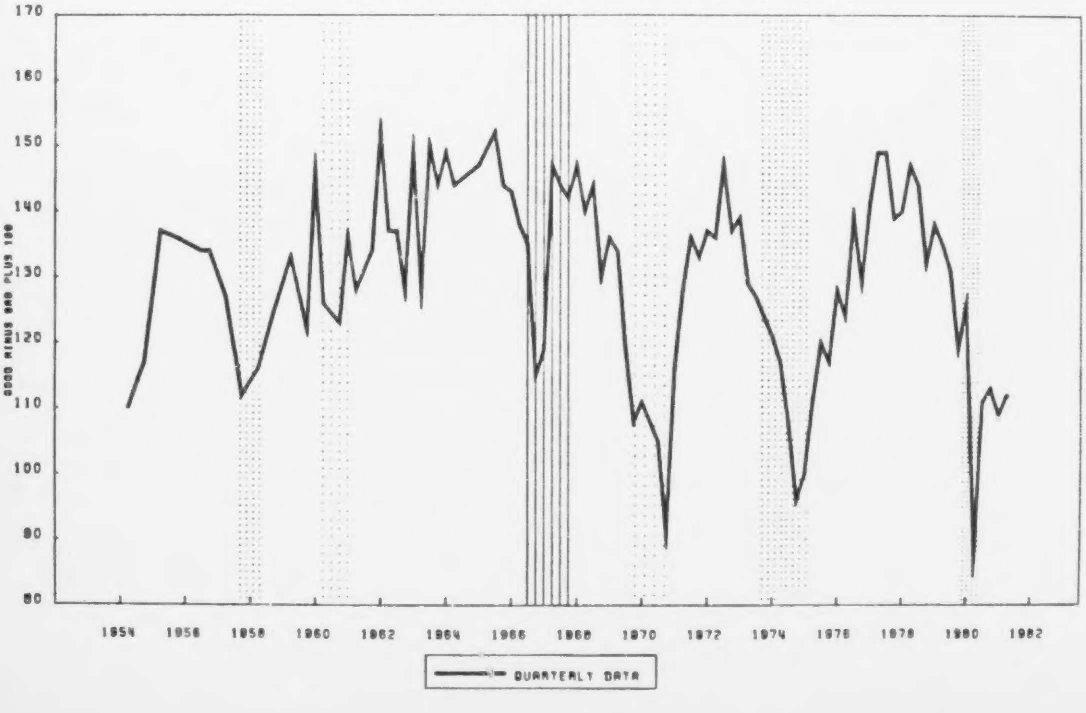

TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	66%	64%	57%	62%	62%	60%	54%	58%	39%	48%	50%	47%	49%
UNCERTAIN, DEPENDS	16	16	18	14	11	11	10	10	10	16	13	15	14
BAD TIME TO BUY	18	20	25	24	27	29	36	32	51	36	37	38	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	72%	70%	66%	71%	70%	63%	58%	61%	40%	51%	54%	52%	53%
UNCERTAIN, DEPENDS	14	13	16	10	10	11	10	8	9	14	14	15	15
BAD TIME TO BUY	14	17	18	19	20	26	32	31	51	35	32	33	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

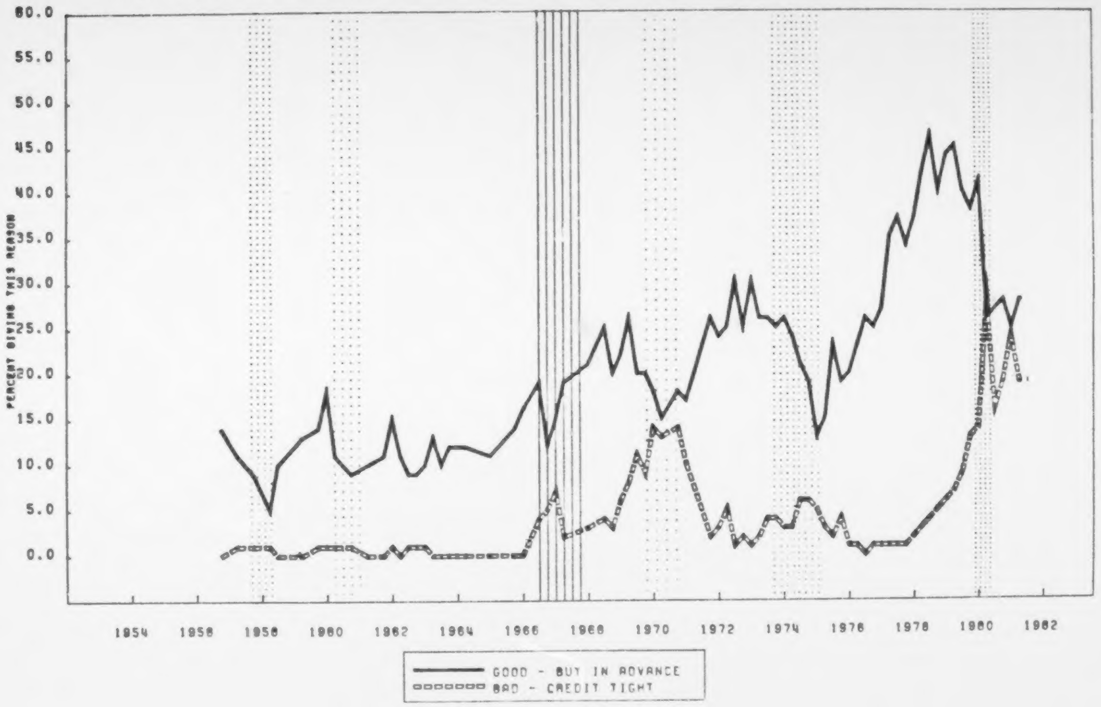

CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

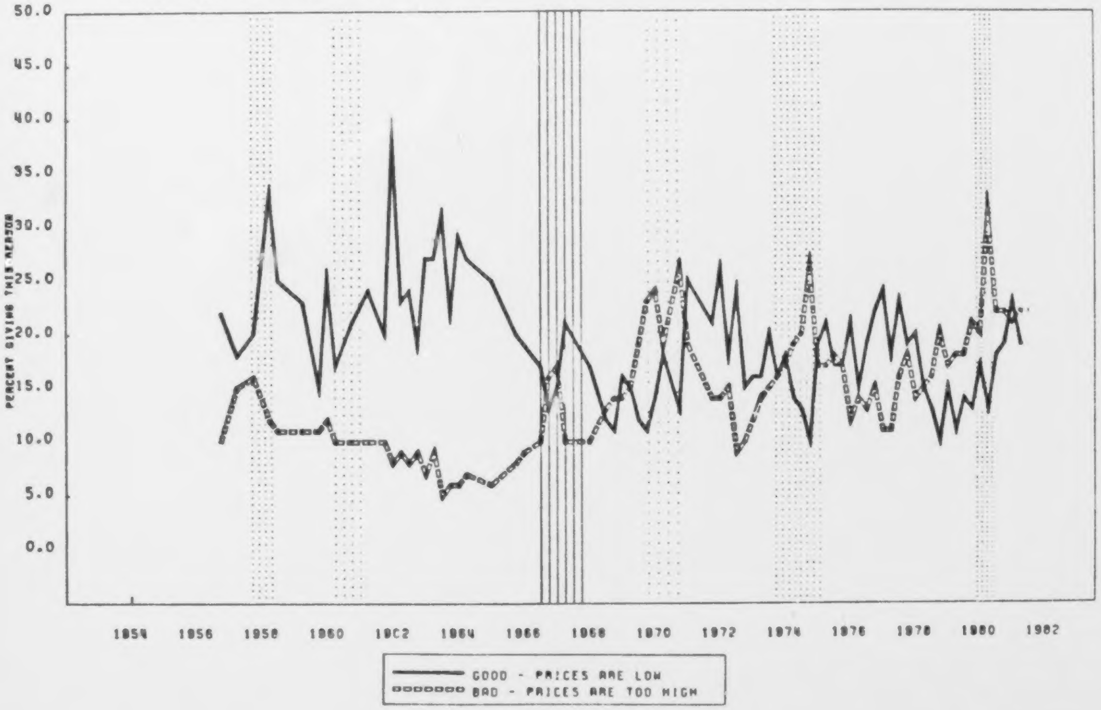

TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	13%	10%	15%	11%	14%	13%	17%	13%	18%	19%	23%	19%
Prices won't come down; are going higher	42	46	40	44	45	40	38	41	26	27	28	25	28
Interest rates low; credit is easy	3	3	2	3	3	2	3	4	3	4	3	2	2
BAD TIME TO BUY:													
Prices are high	15	16	20	17	18	18	21	20	31	22	22	21	22
Interest rates are high; credit is tight	3	4	5	6	7	9	13	14	28	16	19	24	19
Lack of purchasing power	4	4	4	6	9	10	13	13	15	15	11	13	11
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	14%	10%	15%	12%	16%	15%	20%	15%	20%	23%	25%	23%
Prices won't come down; are going higher	53	53	50	51	55	45	40	44	26	30	30	31	30
Interest rates low; credit is easy	2	4	3	4	4	3	4	3	3	5	4	3	3
BAD TIME TO BUY:													
Prices are high	11	13	17	12	13	16	21	16	27	20	16	18	16
Interest rates are high; credit is tight	2	4	4	7	7	9	15	17	33	16	24	27	23
Lack of purchasing power	3	3	3	6	8	9	10	11	15	15	8	10	8

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

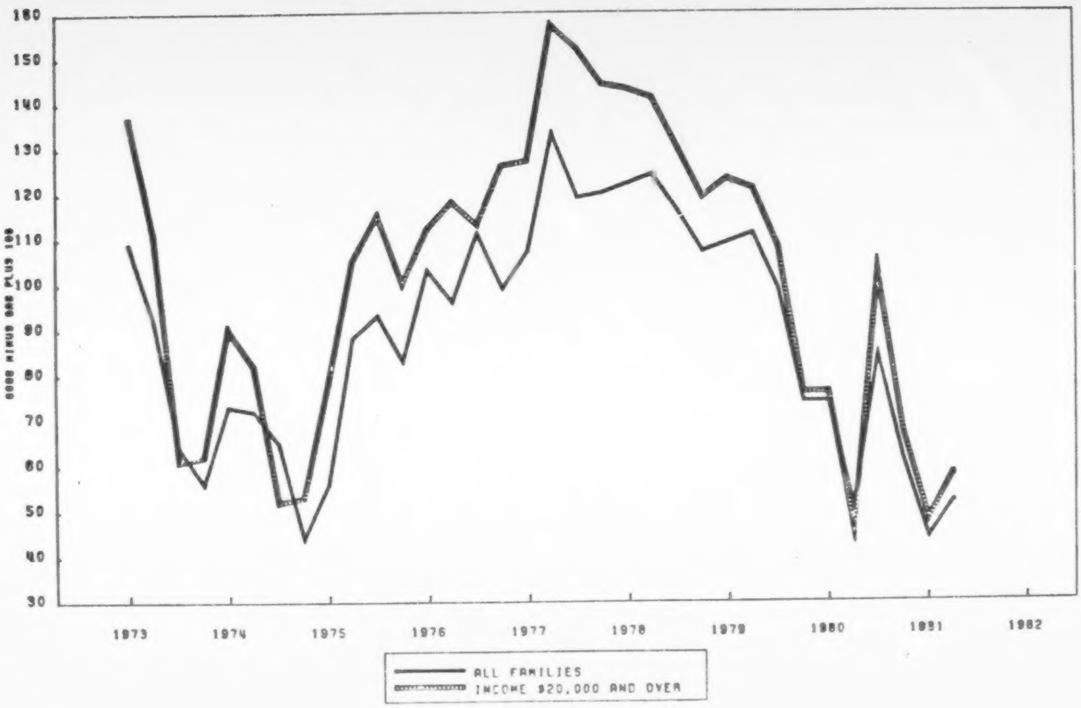

CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

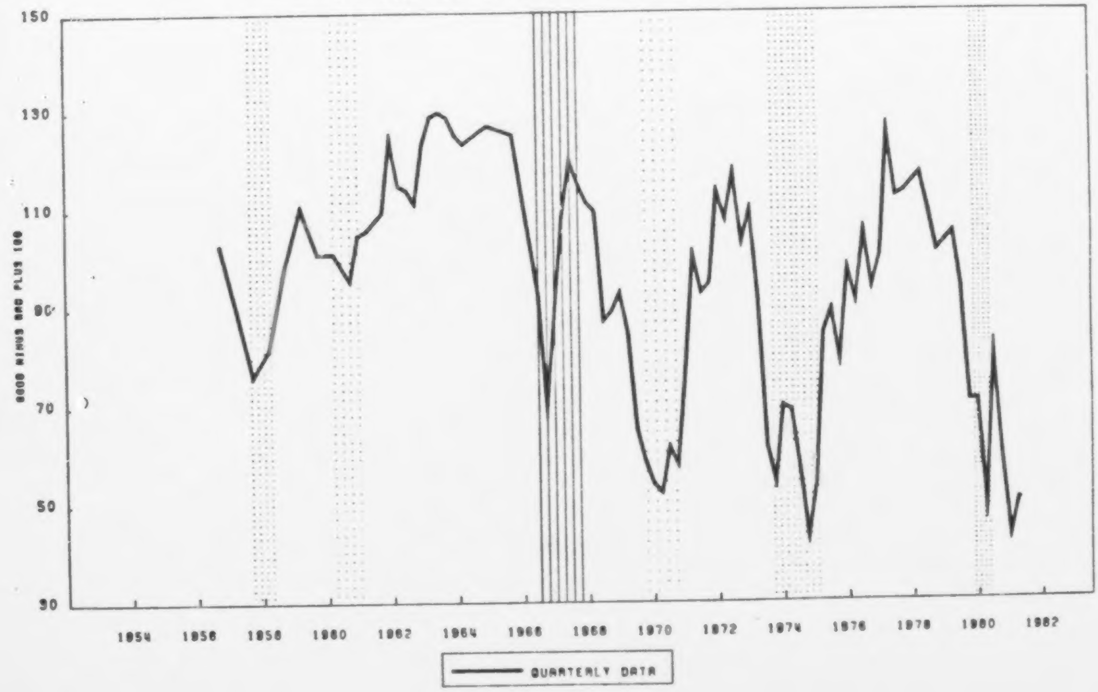

TABLE 28

BUYING CONDITIONS FOR HOUSES

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	58%	53%	48%	50%	52%	47%	34%	35%	22%	39%	28%	20%	23%
UNCERTAIN, DEPENDS	8	10	11	9	7	5	6	5	7	6	5	4	6
BAD TIME TO BUY	34	37	41	41	41	48	60	60	71	55	67	76	71
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	68%	61%	55%	58%	58%	51%	35%	36%	20%	48%	30%	21%	27%
UNCERTAIN, DEPENDS	5	8	9	7	5	5	6	4	6	6	6	5	4
BAD TIME TO BUY	27	31	36	35	37	44	59	60	74	46	64	74	69
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

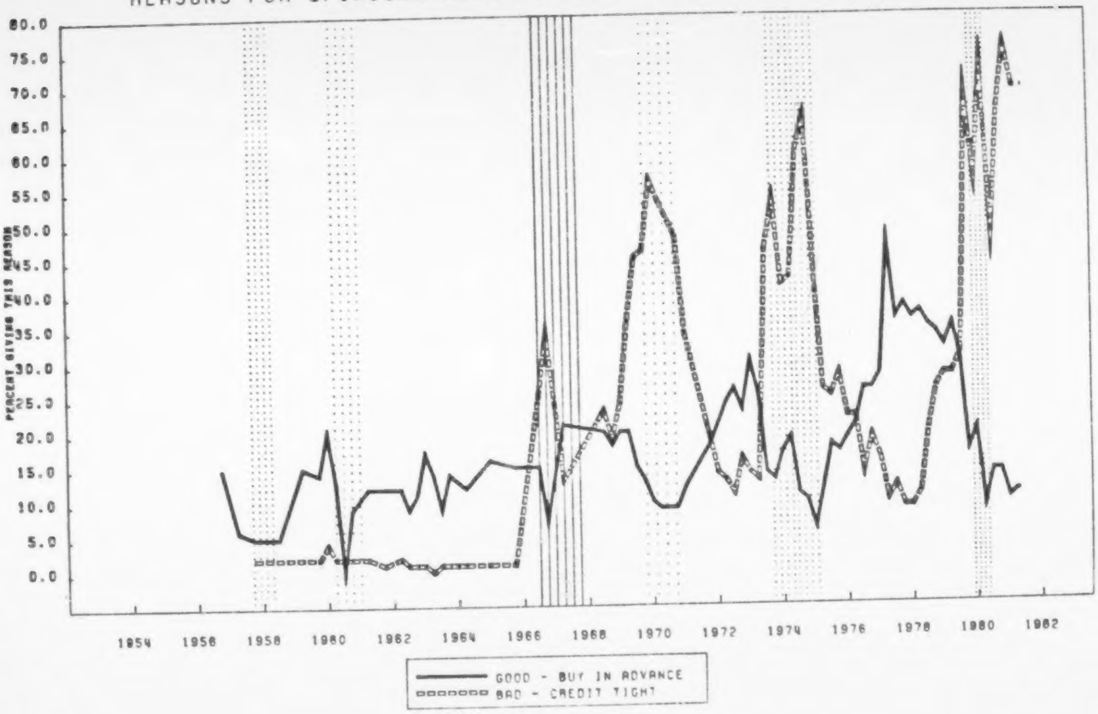

CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

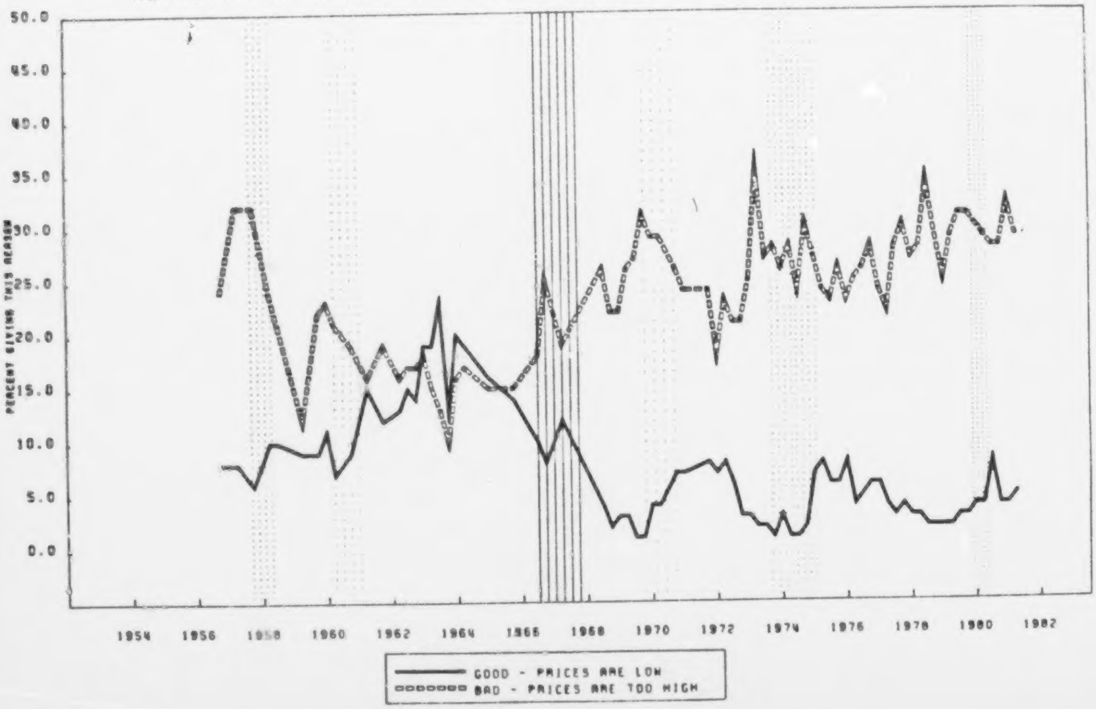

TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	2%	2%	2%	2%	3%	3%	4%	4%	8%	4%	4%	5%
Prices won't come down; are going higher	37	35	34	32	35	30	17	20	9	14	14	10	11
Interest rates low; credit is easy	10	9	9	11	12	10	8	9	8	24	11	5	7
Good investment	10	14	9	12	14	12	8	12	7	8	7	8	7
BAD TIME TO BUY:													
Prices are high	28	34	29	25	29	31	31	30	29	28	28	32	29
Interest rates are high; credit is tight	11	20	26	28	28	31	68	56	72	48	66	75	69
Lack of purchasing power	7	3	6	6	9	9	9	8	9	13	12	12	12
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	3%	2%	5%	4%	2%	3%	4%	5%	7%	13%	7%	7%	6%
Prices won't come down; are going higher	50	46	37	37	40	33	16	20	8	16	13	11	14
Interest rates low; credit is easy	16	14	11	16	18	13	10	10	9	32	13	7	8
Good investment	14	16	10	11	17	15	10	14	7	10	9	8	8
BAD TIME TO BUY:													
Prices are high	23	22	25	18	23	27	28	28	28	25	24	30	26
Interest rates are high; credit is tight	11	26	34	35	31	38	75	63	80	45	74	82	74
Lack of purchasing power	2	3	4	3	5	8	7	7	8	9	8	9	8

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

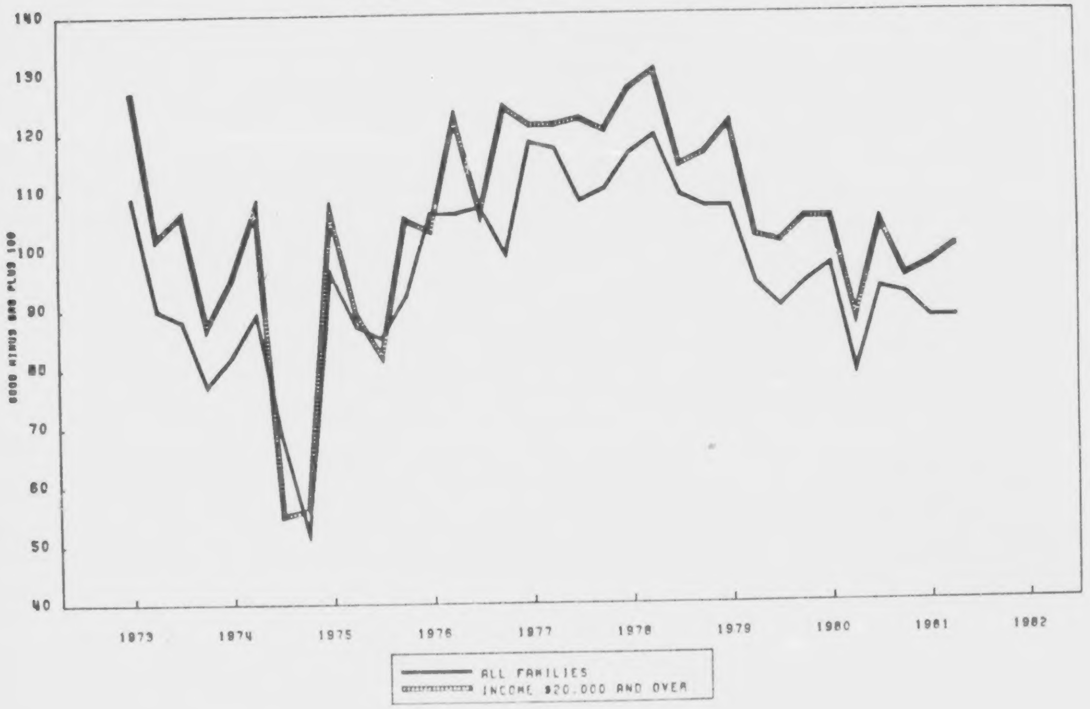

CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

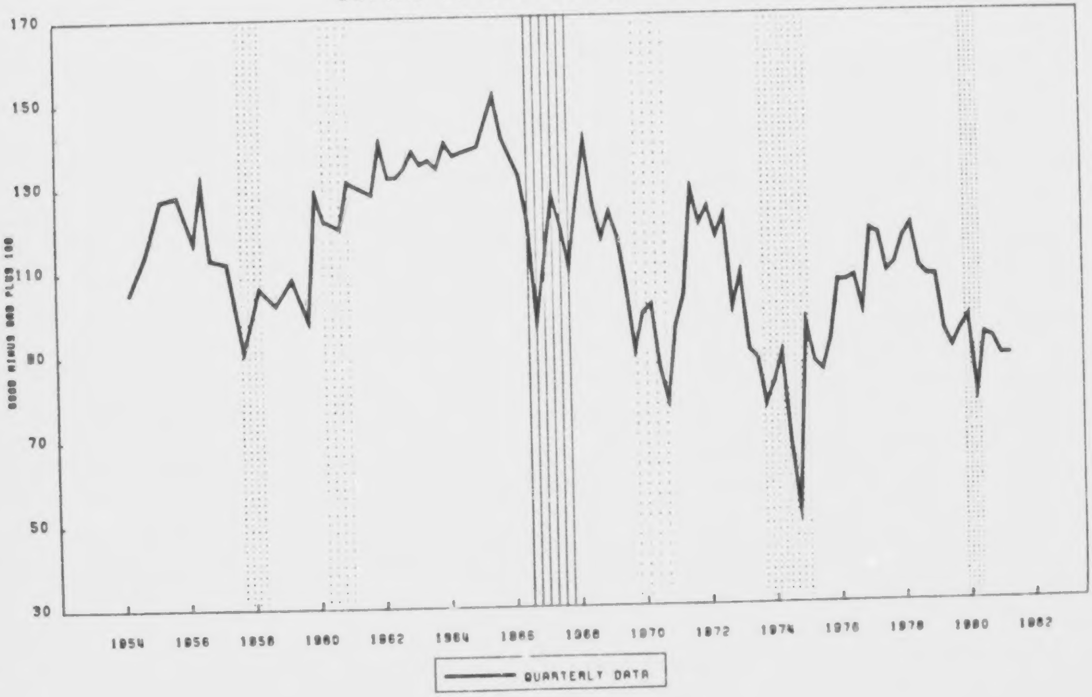

TABLE 30

BUYING CONDITIONS FOR CARS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	52%	46%	44%	46%	41%	38%	42%	44%	34%	40%	40%	38%	39%
UNCERTAIN; DEPENDS	16	17	19	15	12	14	10	9	11	13	13	12	9
BAD TIME TO BUY	32	37	37	39	47	48	48	47	55	47	47	50	52
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	58%	50%	50%	55%	45%	44%	49%	48%	39%	45%	42%	43%	47%
UNCERTAIN; DEPENDS	14	14	17	11	12	14	7	9	10	13	11	10	6
BAD TIME TO BUY	28	36	33	34	43	42	44	43	51	42	47	47	47
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

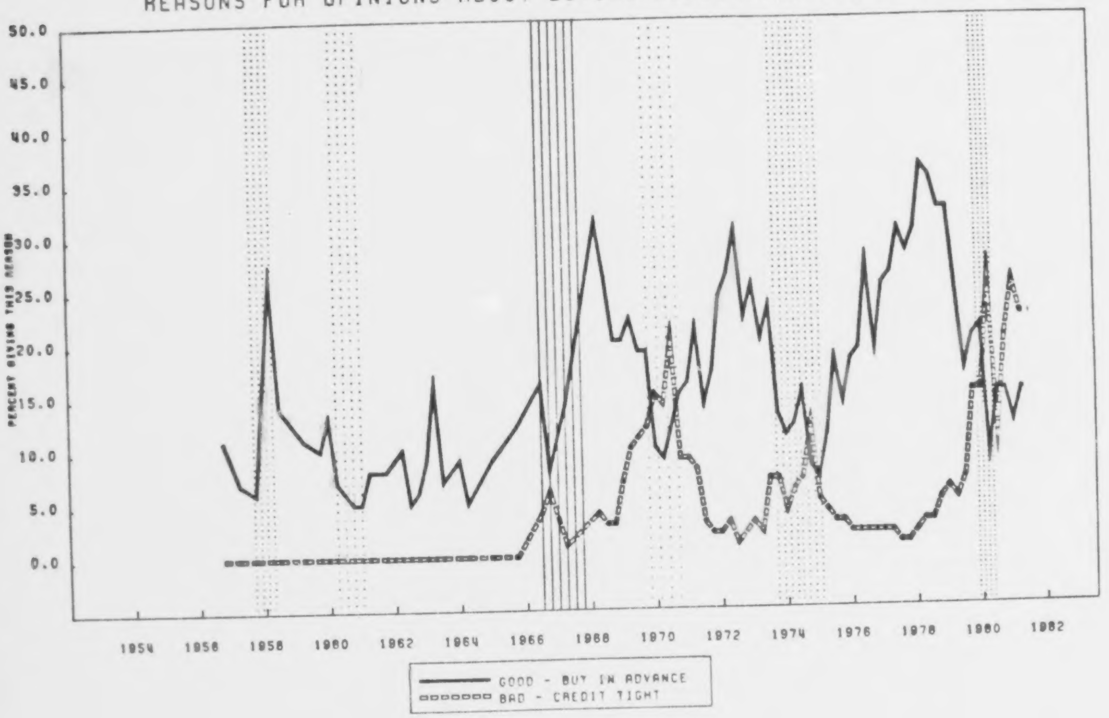

CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

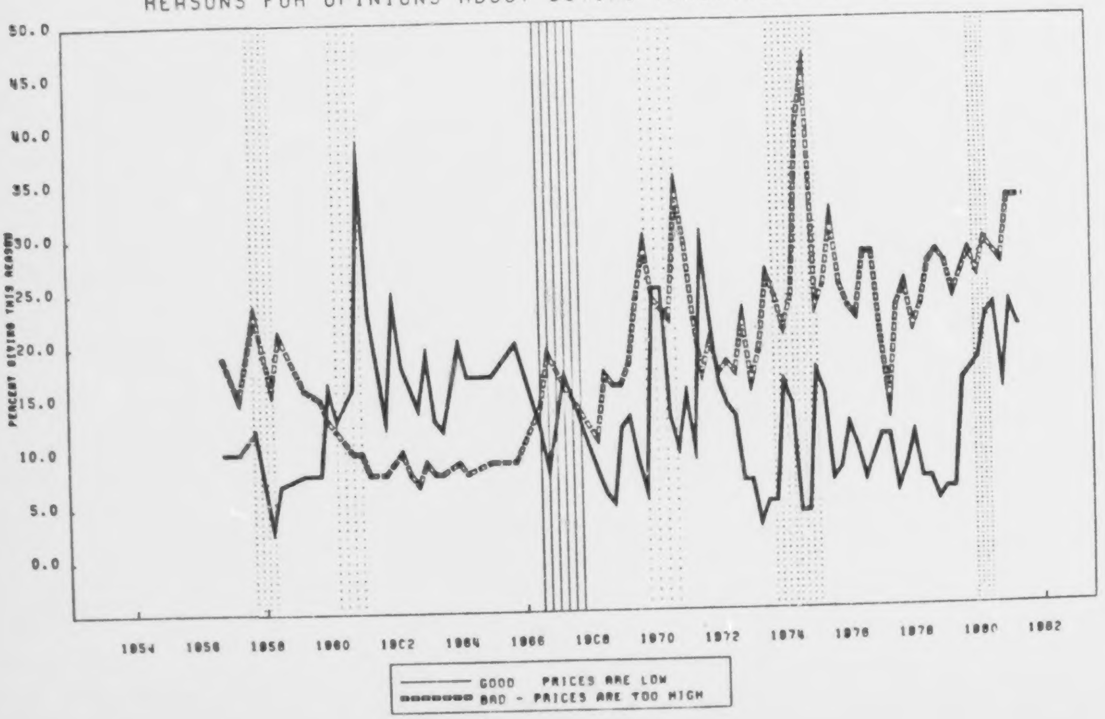

TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	7%	5%	6%	6%	16%	17%	18%	22%	23%	16%	23%	21%
Prices won't come down; are going higher	36	35	32	32	24	17	20	21	9	15	15	12	15
Interest rates low; credit is easy	1	2	2	2	2	1	2	3	3	4	3	3	3
New fuel efficient models	3	2	2	4	13	10	9	12	8	6	8	5	5
BAD TIME TO BUY:													
Prices are high	23	27	28	27	24	26	28	26	29	28	27	33	33
Interest rates are high; credit is tight	3	3	5	6	5	7	15	15	25	11	20	25	22
Lack of purchasing power	3	3	3	3	5	6	6	6	6	8	8	8	7
Price of gas; shortages	1	1	2	7	22	19	12	16	13	5	4	6	3
Poor selection; quality	10	11	9	9	11	11	9	10	8	12	12	9	9
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	7%	6%	6%	7%	21%	22%	24%	30%	28%	18%	32%	28%
Prices won't come down; are going higher	42	38	37	40	28	17	22	22	9	17	17	14	18
Interest rates low; credit is easy	1	2	2	3	2	1	3	3	2	6	4	4	4
New fuel efficient models	5	3	2	5	14	13	9	13	8	7	7	5	5
BAD TIME TO BUY:													
Prices are high	20	24	23	20	22	23	23	24	25	25	26	27	28
Interest rates are high; credit is tight	2	4	5	7	5	6	18	15	28	10	22	31	24
Lack of purchasing power	1	2	3	2	5	3	5	4	6	8	5	6	3
Price of gas; shortages	3	1	3	7	22	17	10	13	9	4	3	2	3
Poor selection; quality	10	12	9	10	13	11	10	12	10	15	17	10	11

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PROBABLY WILL BUY	20%	21%	21%	18%	17%	14%	16%	20%	14%	16%	15%	15%	16%
CHANCES ARE EVEN	7	6	6	9	6	7	6	8	7	6	6	7	8
PROBABLY WILL NOT BUY	61	63	65	61	66	69	68	62	68	66	67	65	65
DK, NA	12	10	8	12	11	10	10	10	11	12	12	13	11
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	32%	33%	30%	30%	26%	21%	19%	30%	18%	22%	23%	22%	22%
CHANCES ARE EVEN	10	7	7	10	8	10	9	9	11	8	7	9	9
PROBABLY WILL NOT BUY	58	57	62	59	64	67	68	59	69	66	68	67	67
DK, NA	*	3	1	1	2	2	4	2	2	4	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

* : Less than half of one percent.

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Apr- June 1978	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	27%	27%	27%	27%	23%	21%	22%	28%	21%	22%	21%	22%	24%
PURCHASE TYPE:													
Buy new	13	11	14	11	12	11	9	14	9	9	10	10	10
Buy used	12	11	11	15	10	9	11	12	9	11	8	9	11
Lease	1	3	1	1	1	1	1	1	1	1	1	1	1
DK, NA	1	2	1	*	*	*	1	1	2	1	2	2	2
PURCHASE TIMING:													
Next 3 months	5	5	2	3	4	3	4	2	3	3	3	2	4
Next 4-6 months	6	6	4	7	7	4	4	7	6	5	3	5	7
Next 7-9 months	5	4	5	6	4	4	5	7	5	3	6	6	6
10 months or more	3	5	6	6	3	4	5	6	3	4	4	4	3
DK, NA	8	7	10	5	5	6	4	6	4	7	5	5	4
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	42%	40%	37%	40%	34%	31%	28%	39%	29%	30%	30%	31%	31%
PURCHASE TYPE:													
Buy new	27	21	23	22	21	18	15	23	16	16	16	17	17
Buy used	11	10	11	14	11	11	10	12	9	11	11	8	11
Lease	2	7	2	3	1	1	2	3	2	1	2	3	2
DK, NA	2	2	1	1	1	1	1	1	2	2	1	3	1
PURCHASE TIMING:													
Next 3 months	8	7	3	4	6	6	5	3	4	5	4	4	4
Next 4-6 months	12	10	7	10	11	7	5	12	7	7	6	7	9
Next 7-9 months	9	9	7	11	7	5	8	9	8	6	7	8	10
10 months or more	5	7	9	9	5	8	6	8	4	4	6	6	4
DK, NA	8	7	11	6	5	5	4	7	6	8	7	6	4

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Apr-June 1978	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	61%	63%	65%	61%	66%	69%	68%	62%	68%	66%	67%	65%	65%
PURCHASE TYPE:													
Would buy new	32	37	36	34	38	39	41	36	39	38	40	34	38
Would buy used	26	23	25	24	26	28	25	24	26	26	24	28	25
DK, NA	3	3	4	3	2	2	2	2	3	2	3	3	2
PURCHASE TIMING:													
Less than 2 years	7	4	6	5	5	7	7	7	7	5	6	5	7
2 years	20	19	19	17	20	20	18	21	17	20	21	21	20
3 years	8	10	12	9	11	11	11	7	11	10	13	10	10
4 years or more	13	17	16	15	16	17	19	17	20	20	16	18	19
Indefinite	6	7	3	7	6	6	6	3	4	4	4	4	4
DK, NA	7	6	9	8	8	8	7	7	9	7	7	7	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	58%	57%	62%	59%	64%	67%	68%	59%	69%	66%	68%	67%	67%
PURCHASE TYPE:													
Would buy new	36	41	40	38	43	44	47	39	47	48	49	44	44
Would buy used	20	14	20	18	20	21	20	19	20	17	17	21	21
DK, NA	2	2	2	3	1	2	1	1	2	1	2	2	2
PURCHASE TIMING:													
Less than 2 years	8	7	8	9	7	8	10	8	8	6	7	7	7
2 years	23	25	24	24	26	25	25	24	23	24	26	22	24
3 years	12	10	12	12	12	11	11	6	12	13	13	11	11
4 years or more	10	13	11	10	13	17	17	15	20	18	16	20	20
Indefinite	1	2	1	2	2	1	2	1	2	2	2	3	2
DK, NA	4	*	6	2	4	5	3	5	4	3	4	4	3

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

1

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Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Second Quarter Survey
April-June 1981

July 2, 1981

CONFIDENCE IN GOVERNMENT RAISES OPTIMISM

Page

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ATTACHMENTS:

April-June 1981 Tables and Charts

The second quarter 1981 surveys included 2,032 interviews, conducted between March 23 and June 22, 1981.

Monitoring Economic Change Program
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Highlights

** In the April-June 1981 surveys the Index of Consumer Sentiment was 73.9, a gain of 5.6 Index points from the first quarter 1981 level, and nearly 20 Index points above the year earlier figure.

** Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 82.0 in the April-June 1981 surveys, up 5.9 Index points from the first quarter 1981 level.

** Among all families, 39 percent expected good times in the economy as a whole during the next 12 months in the April-June 1981 surveys, up from 28 percent in the first quarter 1981 surveys, and just 14 percent in the year earlier readings. Long term business expectations posted more modest gains in the second quarter 1981 surveys, with 32 percent of all families expecting good times during the next five years or so, up from 28 percent in the first quarter 1981 surveys, and 17 percent in the second quarter 1980 surveys.

** In the April-June 1981 surveys, more respondents rated government economic policy as favorable than at any other time during the past decade. The current proposals to reduce federal taxes and spending were expected to improve consumers personal financial situation (41 percent), as well as the economy in general (56 percent). Among families who expected tax reductions, the median expected increase in take-home pay was $50. Nearly as many families planned to save (41 percent) as to spend (46 percent) the additional income. Approximately these same results were obtained in 1963, except at that time a greater share of the planned spending was for new purchases, whereas in 1981 most of the planned spending was aimed at restoring balance to inflation-ravaged budgets.

** Interest rate increases were expected by 37% of all families in the second quarter surveys, up from 30% in the first quarter of 1981. Price expectations, on the other hand, declined somewhat in the April-June surveys, with respondents expecting prices to increase an average 7.4%, down from 7.7% expected in the first quarter of 1981, and well below the 9.1% recorded in the second quarter of 1980.

** Buying attitudes remained at near record unfavorable levels in the April-June 1981 surveys. In the second quarter of both 1980 and 1981, the proportion holding unfavorable attitudes was 71 percent, down from the peak level of 76 percent recorded in the first quarter of 1981. Unfavorable attitudes toward market conditions for cars were held by 52 percent in the second quarter of 1981 largely unchanged from the 50 percent recorded in the first quarter.

* * *

The April-June 1981 surveys indicate that consumer sentiment has remained largely unchanged since late 1980, at improved levels due to favorable evaluations of the proposed economic policies of the Reagan administration. Although expected inflation rates have declines, interest rate expectations have not, and this heightened concern with the real cost of credit has stifled favorable buying attitudes.

Sentiment Improves

In the April-June 1981 surveys, the Index of Consumer Sentiment was 73.9, a gain of 5.6 Index points from the first quarter 1981 level, and nearly 20 Index points above the year earlier figure. Most of the 20 point gain during the past year was recorded in the last half of 1980 (18 Index points), not in the first half of 1981 (2 Index points). Since late 1980, consumer sentiment has remained largely unchanged, although at a much improved level, due to favorable evaluations of the proposed economic policies of the Reagan administration.

Among families with incomes of $25,000 or more, the Index of Consumer Sentiment was 82.0 in the April-June 1981 surveys, up 5.9 Index points from the first quarter 1981 level. In each of the four major geographic regions, as well as in each major age subgroup, the Index of Consumer Sentiment in April-June 1981 was 16 to 23 index points higher than comparable year-earlier readings. The major portion of the improvement recorded in each subgroup was recorded in the last half of 1980.

Personal Finances

When evaluating their current financial situations, consumers have indicated only small progress during the past year. In the April-June 1981 surveys, 28 percent reported improvement in their financial situations, only marginally above the 27 percent recorded in the first quarter 1981 surveys, and 25 percent in the second quarter 1980 surveys. A worsening financial situation, rather than improvement was the more common response in the April-June 1981 surveys, by 41 percent of all families, although somewhat below the 48 percent recorded a year earlier. This small improvement from the year-earlier reading was mainly due to more favorable references to changes in family income, and fewer unfavorable references to inflation. Despite the small improvement, consumer evaluations of their personal financial situations remains near record unfavorable levels.

Despite this maintenance of unfavorable evaluations of their current financial situation, the balance of opinion has shifted toward favorable expectations for change in the year ahead. Among all families, 32 percent expected improvement in their financial situation, compared with 18 percent that expected deterioration, the rest expecting their financial situation to remain largely unchanged during the year ahead. This represents a sizeable improvement from the lows recorded in the second quarters of 1979 and 1980, when deterioration rather than improvement was more widely expected. The improvement in personal financial expectations has been somewhat sharper among families with incomes of $20,000 or more. After remaining largely unchanged from the lows recorded in second quarters of 1979 to 1980, the proportion that expected their personal finances to improve rose to 37 percent in the second quarter of 1981 from 26 percent one year earlier, while the proportion that expected worsening finances fell to 17 percent in the second quarter of 1981, from 26 percent one year earlier.

The improvement in personal financial expectations resulted from more favorable nominal income expectations, together with declines in the expected rate of inflation. Among all families, 32 percent reported that they expected their nominal family income to increase by 10% or more during the next year, just above the 31 percent recorded in the second quarter of 1980. On balance, nominal income expectations have remained at relatively high levels during the past year. As shown in the following table, the median income increase expected among all families was 6.4% in May 1981, up significantly from 4.5-5.2% range recorded the prior four years. The recent increase in the overall median was largely due to an increase in the proportion of families that expected nominal income gains (from 63 percent in 1980 to 70 percent in 1981). Among families that expected income increases, the median expected increase was 9.9% in 1981, only marginally above the 9.7% recorded in 1980.

Because of the concurrent decline in price expectations, real income expectations have improved considerably. Among all families, the proportion that expect real income declines due to inflation fell from a high of 53 percent in early 1980 to 40 percent in the April-June 1981 surveys.

TABLE A

MEDIAN PERCENTAGE INCREASES EXPECTED
IN NOMINAL FAMILY INCOME

	All Families	Families Who Expect Increase	
May Surveys	Median	Percent Total	Median Increase
1977	4.5%	63%	6.9%
1978	4.7	63	7.3
1979	5.0	61	9.2
1980	5.2	63	9.7
1981	6.4	70	9.9

Lowered Price Expectations

The second quarter 1981 surveys recorded a significant decline in perceptions of the current rate of inflation. In the second quarter 1981 surveys, consumers reported an average increase of 12.9% in the prices of the things they bought during the past year, a significant decline from the 15.9% recorded in the second quarter 1980 surveys. The proportion that thought the rate of inflation during the past year was 15% or higher fell to 26 percent in the second quarter 1981 surveys, from 38 percent the year earlier.

The rate of inflation expected during the year ahead has also declined considerably, falling to the 7-8% range in the first half of 1981. In the second quarter 1981 surveys, consumers expected prices to increase on average by 7.4%, down somewhat from the 7.7% expected in the first quarter 1981 surveys, and well below the 9.1% recorded in the second quarter of 1980. At 7.4%, the expected rate of inflation is now lower than at any time during the past three years.

Business Prospects Improve

The mix of news items heard and recalled by respondents of recent changes in business conditions has become more favorable during the past several months, although it still remains on balance negative. In the April-June 1981 surveys, news of unfavorable developments exceeded favorable changes by a margin of 46 to 28 percent, which stands in sharp contrast to the overwhelmingly negative margin of 94 to 12 percent recorded in the second quarter of 1980. In comparison with a year earlier, many fewer respondents reported news of increasing unemployment (16 versus 37 percent), and fewer reported news of interest rate increases (7 versus 16 percent).

Although current business conditions are still viewed more often as having worsened rather than improved during the past year, evaluations have continued to grow more optimistic in the second quarter 1981 surveys. Among all families, 28 percent reported that business conditions had improved during the past year, up from 15 percent in the first quarter 1980, and just 7 percent a year earlier. The proportion that reported a worsening economy fell to 53 percent, from 69 percent in the first quarter 1981, and 86 percent in the second quarter 1980 surveys.

The outlook for business conditions during the year ahead remained at the much improved levels first established in late 1980. Among all families, 36 percent expected improved business conditions during the year ahead, largely unchanged since late 1980, but significantly above the 20 percent recorded in the second quarter of 1980. The proportion that expected worsening business conditions fell to 20 percent in the second quarter 1981 surveys, from 39 percent one year earlier. The proportion that reported past and expected declines in business conditions fell to 14 percent in the April-June 1981 surveys, from 36 percent in the second quarter of 1980. Similarly, the proportion that expected cumulative improvement in business conditions rose to 16 percent in the second quarter of 1981, up from just 2 percent one year earlier.

Many fewer respondents expected unemployment to increase in the second quarter 1981 surveys (37 percent) than one year earlier (66 percent), but the proportion that expected improvement in the unemployment situation has not increased as much, with 17 percent expecting less unemployment in the second quarter of 1981, up from 7 percent one year earlier. The most frequent expectation was that unemployment would remain at its same high level during the upcoming year, held by 44 percent of all families in the second quarter of 1981, up from 26 percent in the second quarter of 1980. Consequently, although unemployment is much less frequently viewed as worsening, rather than improving, unemployment is expected to remain near the current high levels.

Interest rate increases were expected by 37% of all families in the April-June 1981 surveys, up from 30% in the first quarter, and 34% in the second quarter of 1980. Expected declines in interest rates were reported by 31% in the second quarter of 1981 down from 41% in the first quarter. Overall, nearly two-thirds expected interest rates to remain at the same high levels (28 percent) or to increase (37 percent) during the year ahead rather than to decline.

Among all families, 39 percent expected good times in the economy as a whole during the next 12 months in the April-June 1981 surveys, up from 28 percent in the first quarter 1981 surveys,and just 14 percent in the year earlier readings. Although bad times financially in the economy as a whole are still expected by half of all consumers, this is appreciably lower than the more than three-in-four who held this view one year earlier.

Long term business expectations posted more modest gains in the second quarter 1981 surveys, with 32 percent of all families expecting good times during the next five years or so, up from 28 percent in the first quarter 1981 surveys, and 17 percent in the second quarter 1980 surveys.

Growing Confidence in Economic Policies

After reaching record lows in 1979, favorable business expectations improved rapidly during the last half of 1980, but since then have remained largely unchanged at greatly improved levels. In explaining why respondents expected business conditions to change, each monthly survey since the November 1980 election has recorded between one-quarter and one-third that spontaneously mentioned the role of government economic policies and the Reagan administration. These favorable references to government economic policies remained the dominant factor behind improved business expectations. Since President Reagan took office, the proportion that rated government economic policy favorably increased from 17 percent in the first quarter of 1981 to 28 percent in the second quarter, while the proportion that rated government economic policy as poor fell from 33 percent in the first quarter 1981 to 18 percent in the second quarter. On balance, by mid-1981 confidence in government economic policy exceeded the prior peak level recorded in early

1977. The ratings were dissimilar in that respondents more frequently rated Reagan's economic policies as favorable (28 percent) than Carter's (22 percent), and respondents more frequently rated Reagan's as poor (18 percent) than Carter's policies (15 percent). Overall, confidence in government economic policy was higher by mid-1981 than at any other time in the past decade.

When asked whether they expected a reduction in personal income taxes, 50 percent of all respondents in the April-May 1981 surveys expected Congress to pass such a law, nearly equal to the 52 percent recorded in the January-March 1981 surveys. During the past three months, the proportion that did not believe that Congress would pass such a law grew from 35 percent in the January-March surveys to 41 percent in the April-May surveys (Table B).

TABLE B

EXPECTED PASSAGE OF TAX REDUCTIONS

Expect Tax Reduction?	January -March 1981	April -May 1981
Yes	52%	50%
No	35	41
Uncertain, don't know	11	6
Not ascertained	2	3
Total	100%	100%

The question was: "Do you think personal income taxes will actually be reduced or rebated in the next 12 months--I mean, will Congress pass such a law?"

Respondents were asked what impact they expected from the proposed reductions in federal spending and taxes on both their own financial situations as well as on business conditions in general. Among all families, 41 percent expected their personal financial situations to improve, and 56 percent expected business conditions to improve if the current economic proposals were adopted. Very few respondents expected an unfavorable change in either their personal financial situations (5 percent) or in business conditions (7 percent) if these proposals were adopted. Rather, respondents more frequently thought passage of these proposals would not make much differences to their personal financial situations (50 percent) or business conditions (30 percent). It is interesting to note that respondents who expected Congress actually to pass tax reductions viewed the impact of these proposals more favorably on both their personal finances and general business conditions (Table C).

Respondents were also asked about the influence these proposals might have on the rate of inflation. Among all families, 45 percent reported that they expected these proposals to lower the rate of inflation (Table D). Also, the passage of these proposals was more frequently expected to leave the rate of inflation unaffected (36 percent), rather than increase the rate of inflation (11 percent). Among those who expected these proposals to lower the rate of inflation, approximately half also thought that unemployment would also be lower, while the other half expected the lower inflation rates to be accompanied by the same or even higher levels of unemployment. Interestingly, families who actually expected passage of tax reductions more frequently expected lower inflation rates (54 percent) than those who did not expect passage (38 percent), with nearly the entire increase occurring among those who expected both inflation and unemployment to be lower.

Respondents were asked to estimate the increase they expected in their take-home pay if the reduction in personal income taxes is adopted, and how they planned to use the money. Among all families, 46 percent expected their monthly take-home pay to increase, while 40 percent expected no change (Table E). Among those who expected an increase, the median expected increase in monthly take-home pay was $50. When asked about their planned use of this money, 25 percent indicated they have spending plans, 21 percent intended to repay debt, and 41 percent said they intended to save or invest the money. Most of the planned expenditures were to repair inflation ravaged budgets, rather than to make new purchases. Interestingly, those who did not expect the enactment of the tax cuts were more likely to report that they would use the money for debt repayment.

A comparison with prior studies conducted before the 1964 tax cut indicates no difference in consumer reactions to the potential tax cuts (Table F). Approximately the same proportions reported savings plans in both 1963 and 1981. Spending plans, however, differed significantly in their composition--most of those with spending plans in 1963 reported intentions to make new purchases, while spending plans in 1981 were to help meet current expenses and repay bills, rather than for new purchases. This may reflect the harsh impact inflation has had in recent years.

High Interest Rates Stifle Buying

Attitudes toward buying conditions for houses remained near record unfavorable levels in the second quarter 1981 surveys, although marginally improved since early 1981. Among all families, just 23 percent viewed buying conditions for houses favorably in the April-June 1981 surveys, up from 20 percent in the first quarter 1981, and 22 percent in the second quarter 1980 surveys. In the second quarter of both 1980 and 1981 the proportion holding unfavorable house buying attitudes stood at 71 percent, down from the peak level of 76 percent recorded in early 1981. In answer to why respondents thought buying conditions were unfavorable, high interest rates continued to dominate opinions. In the April-June 1981 surveys, 69 percent mentioned the unfavorable impact of high interest rates, down from 75 percent in the second quarter of 1980. As shown in Chart 1 below, the proportion that reported high interest rates remained at record high levels throughout the past year, while the proportion giving buy-in-advance price rationales has fallen to low levels. This shift from buy-in-advance to postponement has been sustained by the declines in price expectations on the one hand and increases in interest rates on the other.

Attitudes toward market conditions for cars have remained largely unchanged at low levels during the past four quarters. The proportion holding favorable views of buying conditions for autos ranged from 38 to 40 percent, while the number holding unfavorable attitudes ranged from 47 to 52 percent. The major reasons given by respondents for the continued unfavorable view were high prices (33 percent) and high interest rates (22 percent). As shown in Table G and Chart 2 below, the proportion that mentioned high interest rates remained at high levels in mid-1981, and buy-in-advance rationales at much diminished levels.

Attitudes toward buying conditions for large household durables have remained largely unchanged during the past year at low levels. The proportion that gave favorable evaluations of the durables market range from 47 to 50 percent, while unfavorable evaluations ranged from 36 to 38 percent. Other than for the second quarter of 1980, the recent figures are lower than in the prior several years. High interest rates have depressed favorable buying attitudes toward household durables during the past year.

Summary Outlook

The April-June 1981 surveys indicate that consumer sentiment has remained largely unchanged since late 1980, at improved levels due to favorable evaluations of the proposed economic policies of the Reagan administration. Although expected inflation rates have declines, interest rate expectations have not, and this heightened concern with the real cost of credit has stifled favorable buying attitudes.

TABLE C

EXPECTED IMPACT OF TAX AND SPENDING REDUCTIONS

(April-May 1981)

Change Expected IF Proposals Adopted	Personal Finances: All Families	Personal Finances: Expect Tax Cut? Yes	Personal Finances: Expect Tax Cut? No	Business Conditions: All Families	Business Conditions: Expect Tax Cut? Yes	Business Conditions: Expect Tax Cut? No
Better off	41%	48%	36%	56%	67%	49%
Not much difference	50	46	56	30	24	39
Worse off	5	3	6	7	5	9
Don't know	2	3	1	4	3	2
Not ascertained	2	*	1	3	1	1
Total	100%	100%	100%	100%	100%	100%
Cases	1224	631	483	1224	631	483

The questions were: "If the current proposals to reduce both taxes *and* government spending were adopted, do you think you (and your family *living* there) would be better off financially, worse off financially, or wouldn't it make much difference? AND "If these proposals (to reduce both taxes and government spending) are adopted, do you expect that business conditions in the country as a whole would be better or worse than they are at present, or wouldn't it make much difference?"

TABLE D

EXPECTED IMPACT ON INFLATION FROM TAX AND SPENDING REDUCTIONS

Change Expected IF Proposals Adopted	April-May 1981 All Families	Expect Tax Cut? Yes	No
Inflation rate lower	45%	54%	38%
Both inflation & unemployment lower	24	32	17
Only inflation rate lower	21	22	21
Not much difference	36	34	42
Inflation rate higher	11	8	15
Don't know	5	4	4
Not ascertained	3	*	1
Total	100%	100%	100%
Expected Rate of Inflation if Reductions Adopted			
Lower	7.4	6.6	8.8
No difference	8.3	7.6	8.2
Higher	11.1	6.1	13.1

The questions were: "If these proposals (to reduce both taxes and government spending) were adopted, would you expect that the rate of inflation would be lower or higher than it is at present, or wouldn't it make much difference?" IF LOWER: "Do you think that both inflation and unemployment would be lower if these proposals were adopted, or would these proposals only help reduce inflation?" AND "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" IF GO UP OR GO DOWN: "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

TABLE E

EXPECTED CHANGE IN MONTHLY TAKE-HOME PAY IF PERSONAL INCOME TAX REDUCTIONS ARE ADOPTED

	April-May 1981		
		Expect Tax Cut?	
Expect Take-home Pay to...	All Families	Yes	No
Increase	46%	51%	44%
Stay the same	40	38	45
Decrease	2	1	2
Does not pay taxes	6	6	6
Don't know	2	2	2
Not ascertained	4	2	1
Total	100%	100%	100%
Cases	1224	631	483
Expected Increase in Monthly Take-home Pay			
Median	$50	$45	$50
Mean	80	78	83
Planned Use of Increase in Take-home Pay			
Spend	25%	29%	23%
New purchases	8	9	8
Current expenses	17	20	15
Repay debt	21	16	28
Save, invest	41	45	40
Both spend and save	4	5	5
Don't know, not ascertained	9	5	4
Total	100%	100%	100%
Cases	1224	631	483

The questions were: "If the personal income tax reductions were actually passed, would you expect your monthly take-home pay to increase, stay the same, or what?" IF INCREASE: "About how much more money would you expect to take home each month?"

"What do you think you would do with this money--spend it, save it, invest it, repay debts, use it for a down-payment on something, or what?"

CHART 1

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

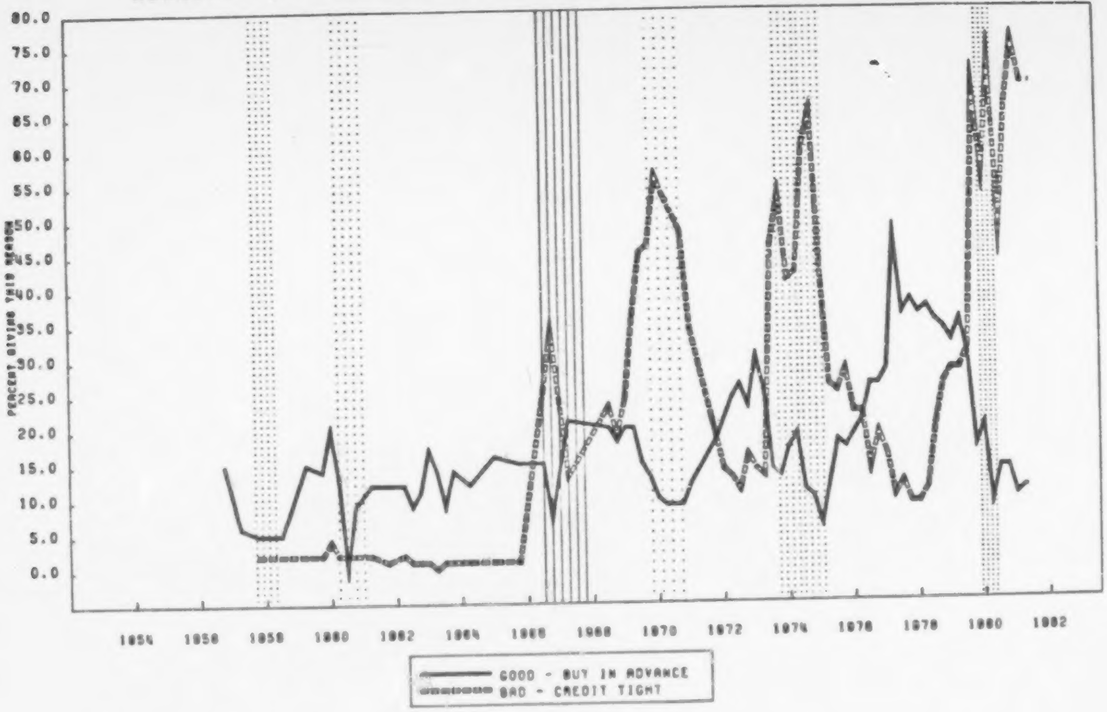

CHART 2

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

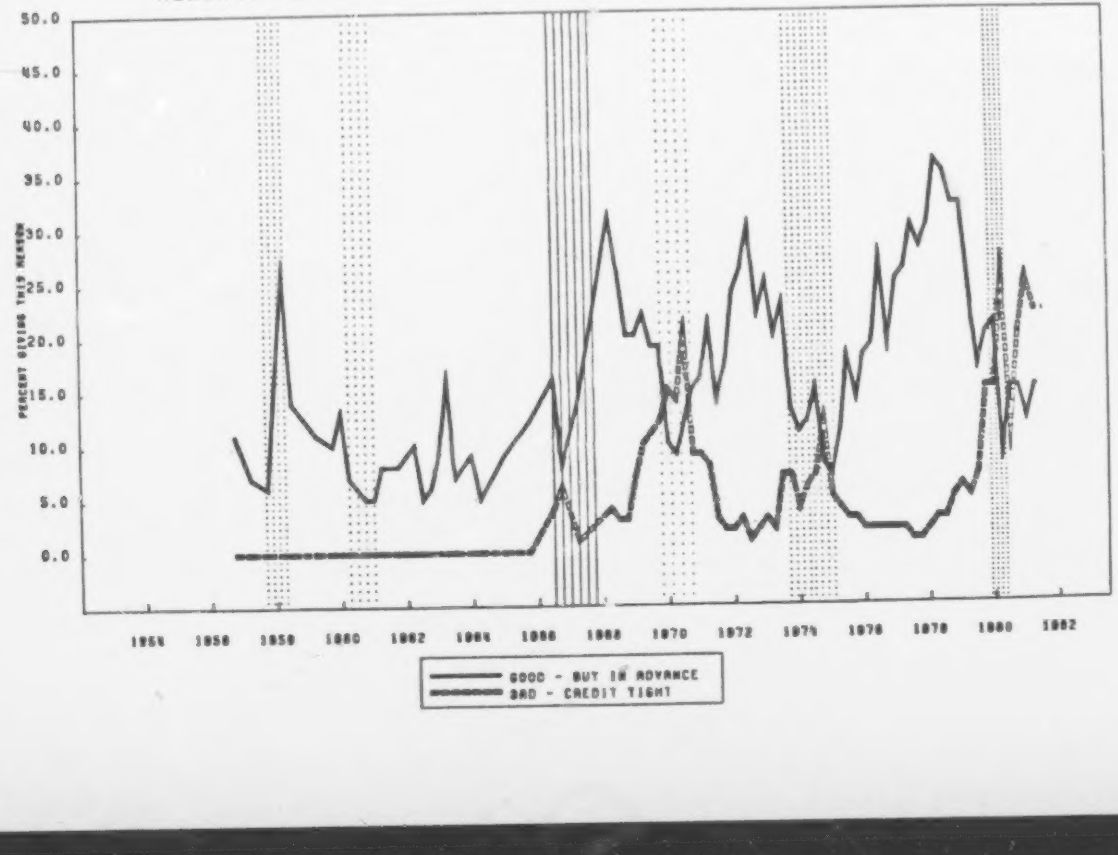

CHART 3

BUYING CONDITIONS FOR HOUSES AND TOTAL HOME SALES

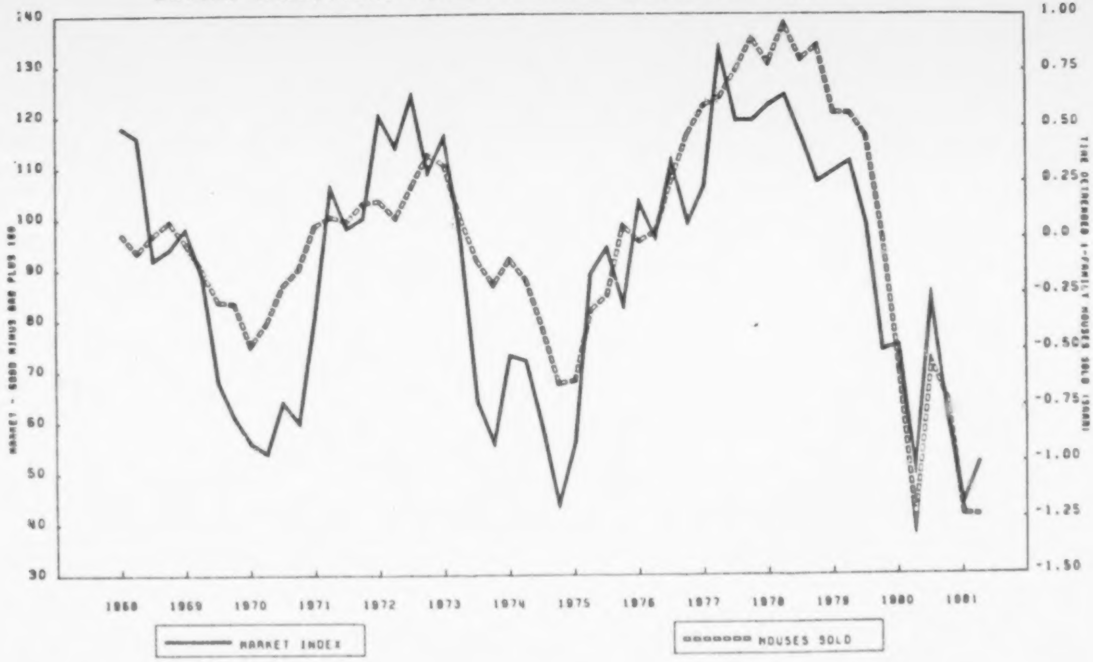

CHART 4

BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES

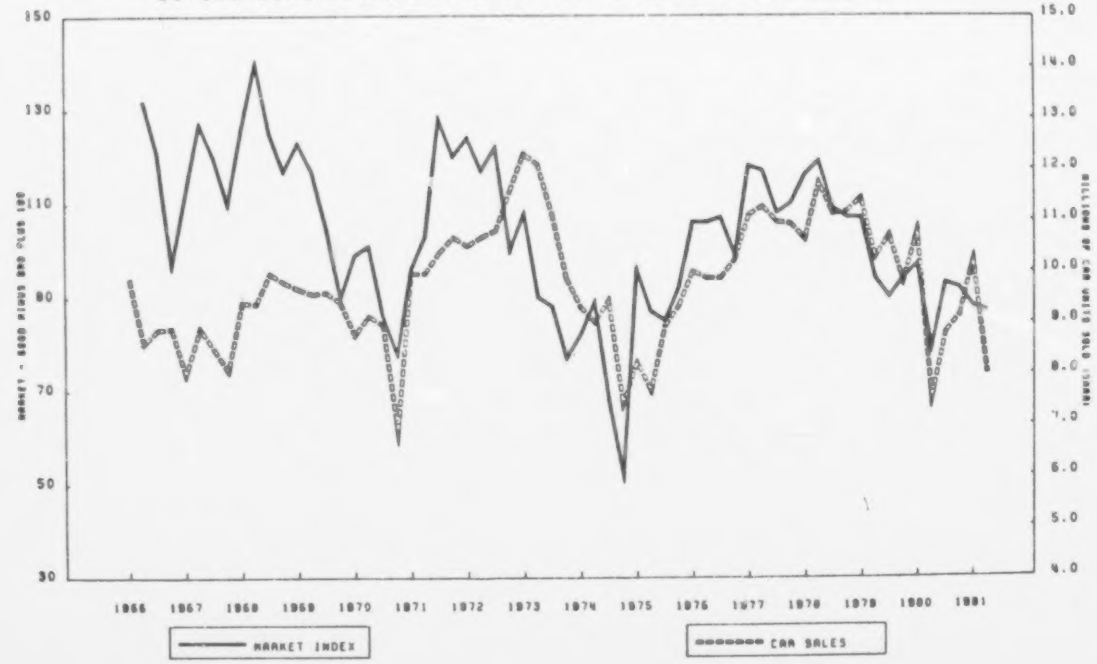

TABLE F

COMPARISON OF EXPECTED USE OF REDUCTION IN TAXES

(April-May 1981)

	1963	1981
Spend	31%	25%
Repay debt	12	21
Save, invest	44	41
Both spend and save	9	4
Don't know, NA	4	9
Total	100%	100%

TABLE G

SHIFTS IN BUY-IN-ADVANCE PRICE RATIONALES AND POSTPONEMENT DUE TO HIGH INTEREST RATES

(Second-quarter Data)

Markets	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
a) Percent Who Mentioned Buy-in-Advance Rationales												
Houses	9	NA	24	25	19	12	21	46	37	35	9	11
Cars	9	21	26	20	12	11	19	27	36	24	9	15
Durables	15	NA	25	26	24	15	22	37	42	45	26	28
Average	11	21	25	24	18	13	21	37	38	35	15	18
b) Percent Who Mentioned High Interest Rates and Tight Credit												
Houses	53	NA	13	13	47	29	22	7	11	28	72	69
Cars	14	8	3	2	8	4	2	*	3	5	25	22
Durables	13	NA	5	3	3	3	1	1	3	7	28	19
Average	27	8	7	6	19	12	8	3	6	13	42	37

*Less than 0.5 percent.
NA = Not Available

SURVEYS OF CONSUMER ATTITUDES

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TABLES AND CHARTS

September 1981

The September 1981 survey is the 156th in a longitudinal series of surveys of consumer attitudes conducted during the last 30 years. The purpose of these surveys is to assess change in consumer attitudes and expectations, and to understand why these changes occur and how they affect consumer behavior. This type of information is essential for forecasting changes in discretionary spending and saving decisions.

Two charts are presented for most questions. One highlights recent changes in the quarterly observations for all families and for high income families. The second chart gives historical data using quarterly results.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this quarterly survey will differ by no more than 3 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

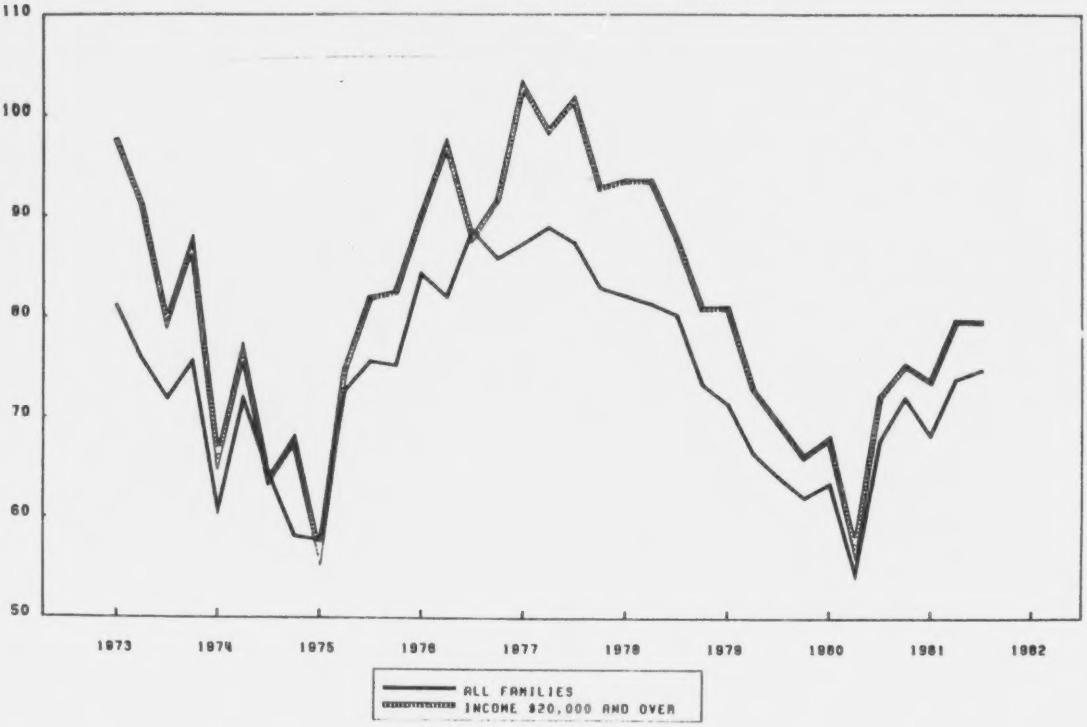

CHART 1 - HISTORICAL SERIES
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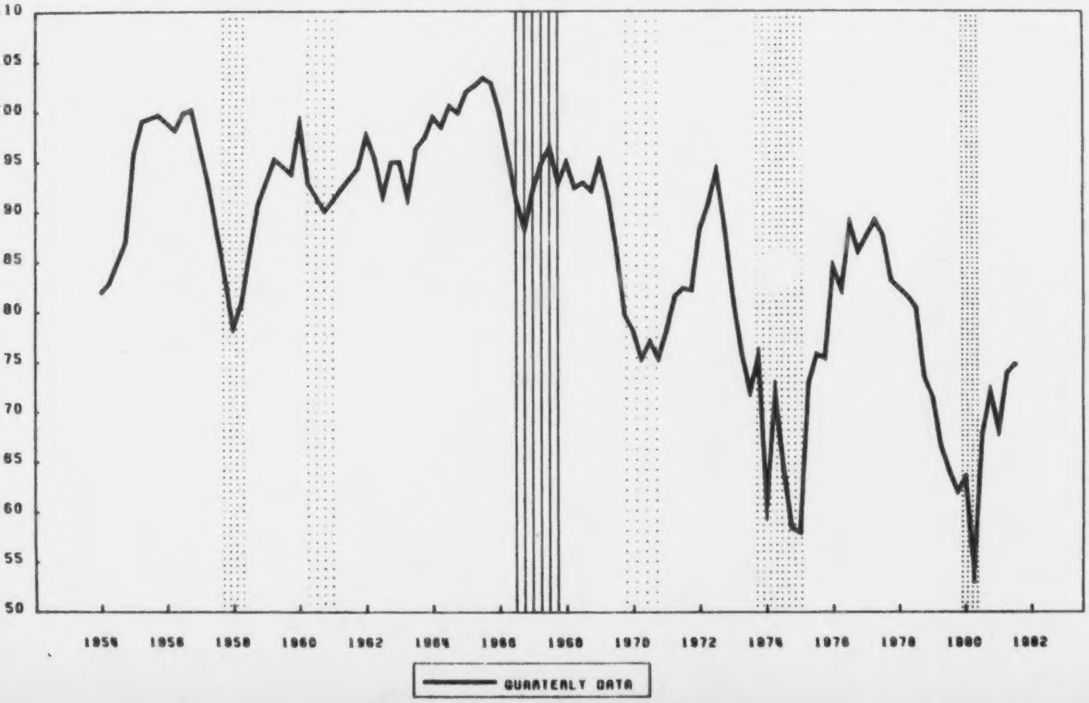

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
July-Sep. 1974	64.6	63.9	
Oct.-Dec. 1974	58.3	67.9	
Jan.-Mar. 1975	58.3	56.5	
Apr.-June 1975	72.8	74.9	
July-Sep. 1975	76.0	82.1	
Oct.-Dec. 1975	75.3	82.6	
Jan.-Mar. 1976	84.6	90.2	
Apr.-June 1976	83.3	97.2	
July-Sep. 1976	88.9	88.0	
Oct.-Dec. 1976	86.0	91.8	
Jan.-Mar. 1977	87.5	103.1	
Apr.-June 1977	89.8	98.6	
July-Sep. 1977	87.6	101.7	
Oct.-Dec. 1977	83.1	94.0	95.5
Jan.-Mar. 1978	82.3	93.7	96.2
Apr.-June 1978	81.5	91.4	92.5
July-Sep. 1978	80.4	88.0	88.3
Oct.-Dec. 1978	73.5	81.0	83.0
Jan.-Mar. 1979	71.5	81.1	81.7
Apr.-June 1979	66.6	73.0	75.5
July-Sep. 1979	63.9	69.6	71.2
Oct.-Dec. 1979	62.1	66.7	69.5
Jan.-Mar. 1980	63.5	68.0	69.6
Apr.-June 1980	54.4	57.0	58.1
July-Sep. 1980	67.8	72.2	73.3
Oct.-Dec. 1980	72.1	75.3	78.3
Jan.-Mar. 1981	68.3	73.7	76.1
Apr.-June 1981	73.9	79.7	82.0
July-Sep. 1981	74.8	79.6	80.1

CHART 2A

THE INDEX OF CONSUMER SENTIMENT WITHIN REGIONS

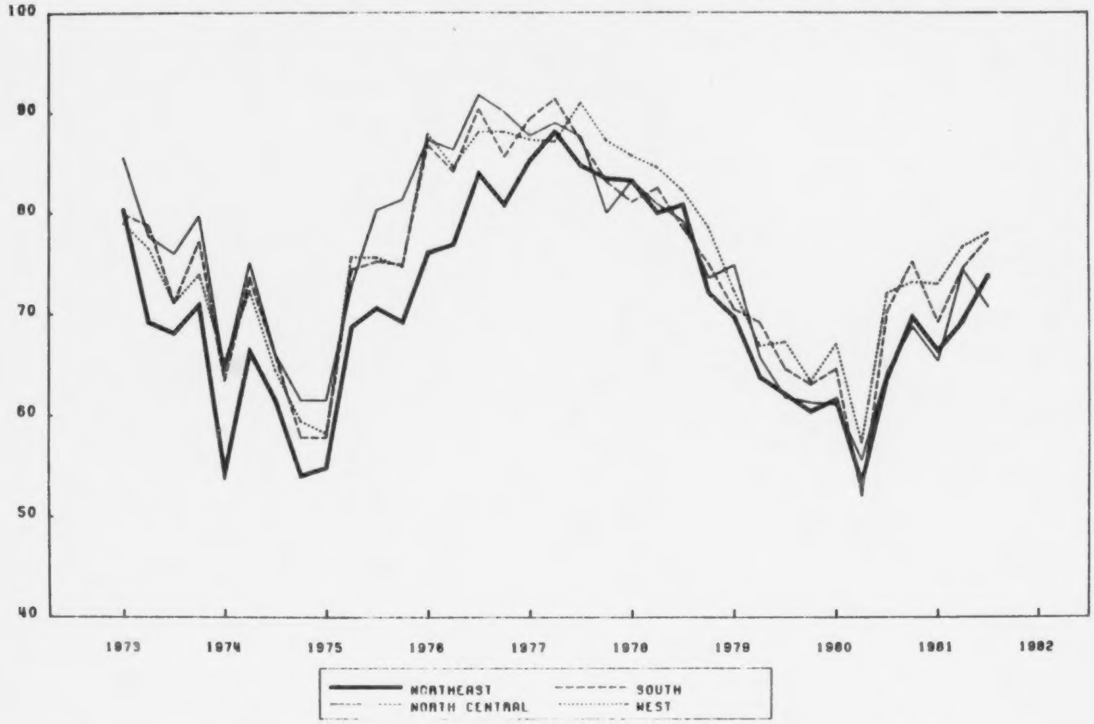

CHART 2B

THE INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

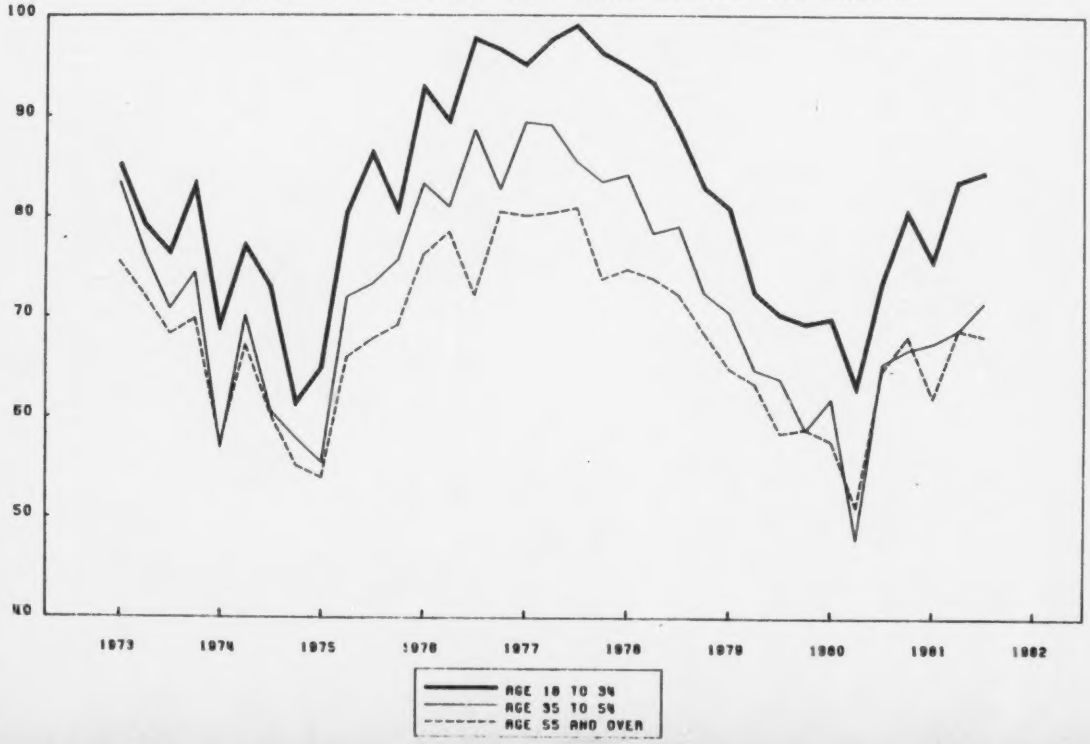

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
July-Sep. 1974	61.5	66.0	65.9	64.4	73.0	60.6	60.2
Oct.-Dec. 1974	54.0	61.5	57.8	59.4	66.0	58.5	55.2
Jan.-Mar. 1975	54.8	61.5	57.8	58.2	64.9	55.5	54.0
Apr.-June 1975	68.7	72.6	74.5	75.6	80.4	72.0	66.0
July-Sep. 1975	70.6	80.8	75.2	75.6	86.3	73.3	67.8
Oct.-Dec. 1975	68.2	81.3	74.9	74.7	80.6	75.6	69.3
Jan.-Mar. 1976	76.9	86.2	85.9	86.7	92.7	83.0	76.1
Apr.-June 1976	76.9	86.3	84.1	84.5	90.0	82.6	76.3
July-Sep. 1976	83.6	85.0	94.8	87.7	97.1	88.3	80.8
Oct.-Dec. 1976	80.8	90.1	85.6	88.5	96.6	82.7	80.5
Jan.-Mar. 1977	85.2	87.7	89.3	87.2	95.1	89.4	80.1
Apr.-June 1977	90.9	88.2	90.9	88.8	98.2	89.8	81.1
July-Sep. 1977	84.7	87.6	87.2	91.0	99.3	85.5	80.9
Oct.-Dec. 1977	83.4	80.0	83.1	87.2	96.3	83.5	73.8
Jan.-Mar. 1978	81.9	81.4	80.9	85.8	95.0	81.9	73.6
Apr.-June 1978	79.6	80.7	81.8	84.4	92.9	78.1	73.6
July-Sep. 1978	81.4	78.8	78.9	84.3	88.9	79.8	73.1
Oct.-Dec. 1978	71.3	72.9	74.0	77.0	81.6	71.3	67.8
Jan.-Mar. 1979	69.0	74.5	70.3	71.8	80.5	70.0	64.7
Apr.-June 1979	63.3	65.7	69.3	66.9	72.4	64.9	63.3
July-Sep. 1979	62.1	62.1	64.4	67.4	70.4	63.9	58.5
Oct.-Dec. 1979	60.3	61.3	63.2	63.3	69.5	58.7	58.9
Jan.-Mar. 1980	61.6	61.1	64.6	67.1	70.4	61.7	57.6
Apr.-June 1980	53.3	55.6	52.1	57.3	63.1	47.9	51.1
July-Sep. 1980	63.7	64.3	70.3	72.1	73.5	65.4	64.7
Oct.-Dec. 1980	69.7	68.8	75.2	73.2	80.5	66.8	68.1
Jan.-Mar. 1981	66.4	65.4	69.2	73.0	75.7	67.5	62.0
Apr.-June 1981	69.3	74.4	74.6	76.7	83.6	68.8	68.8
July-Sep. 1981	73.7	70.7	77.4	78.0	84.5	71.5	68.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

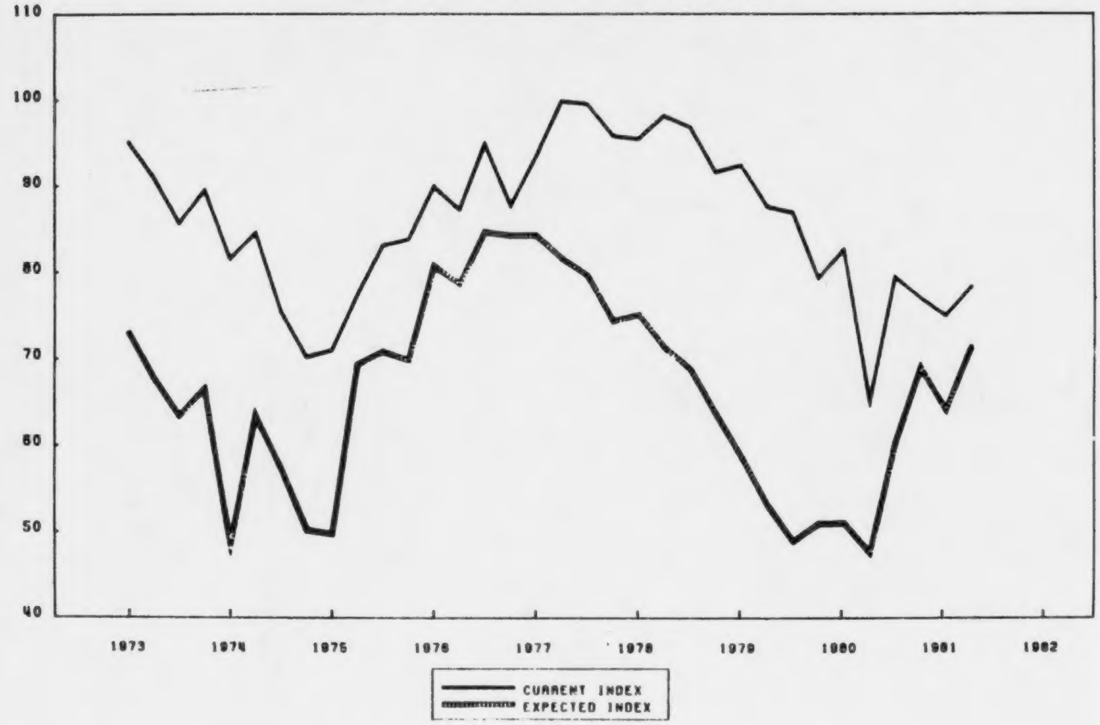

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

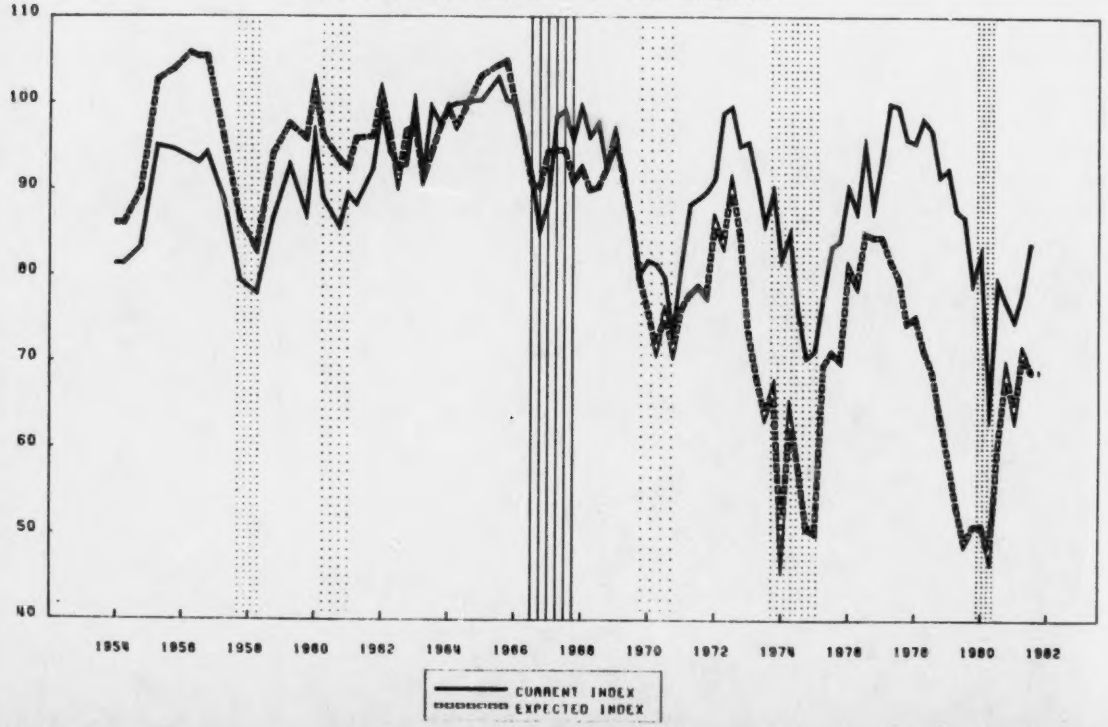

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July-Sep. 1974	85	102	63	60	108	75.6	57.5
Oct.-Dec. 1974	84	98	45	53	96	70.6	50.4
Jan.-Mar. 1975	80	103	45	48	100	70.9	50.2
Apr.-June 1975	87	118	92	66	111	77.7	69.7
July-Sep. 1975	93	109	97	76	120	83.4	71.2
Oct.-Dec. 1975	97	119	94	64	116	83.4	70.0
Jan.-Mar. 1976	103	125	119	80	128	89.9	81.2
Apr.-June 1976	103	119	119	78	126	89.1	79.5
July-Sep. 1976	104	119	127	92	139	94.8	85.1
Oct.-Dec. 1976	96	115	117	105	129	87.8	84.8
Jan.-Mar. 1977	99	120	116	97	141	93.5	83.6
Apr.-June 1977	109	117	121	94	148	99.8	83.4
July-Sep. 1977	108	116	116	86	148	99.5	80.0
Oct.-Dec. 1977	107	107	104	85	139	96.0	74.7
Jan.-Mar. 1978	104	110	102	82	140	94.9	74.1
Apr.-June 1978	105	108	98	74	147	98.2	70.7
July-Sep. 1978	106	111	94	70	144	97.2	69.6
Oct.-Dec. 1978	99	102	79	66	132	90.2	62.8
Jan.-Mar. 1979	98	99	68	61	138	92.2	58.1
Apr.-June 1979	89	92	58	57	135	87.6	53.2
July-Sep. 1979	92	96	48	46	131	87.0	49.0
Oct.-Dec. 1979	84	98	50	51	119	79.4	51.0
Jan.-Mar. 1980	86	99	50	49	126	82.6	51.1
Apr.-June 1980	77	98	35	51	88	65.0	47.6
July-Sep. 1980	91	111	64	62	111	79.4	60.3
Oct.-Dec. 1980	83	109	81	83	113	77.0	68.9
Jan.-Mar. 1981	82	106	70	75	109	74.9	64.0
Apr.-June 1981	88	114	89	79	112	78.2	71.2
July-Sep. 1981	98	115	84	74	117	83.8	69.0

(1) : SEE TABLE 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

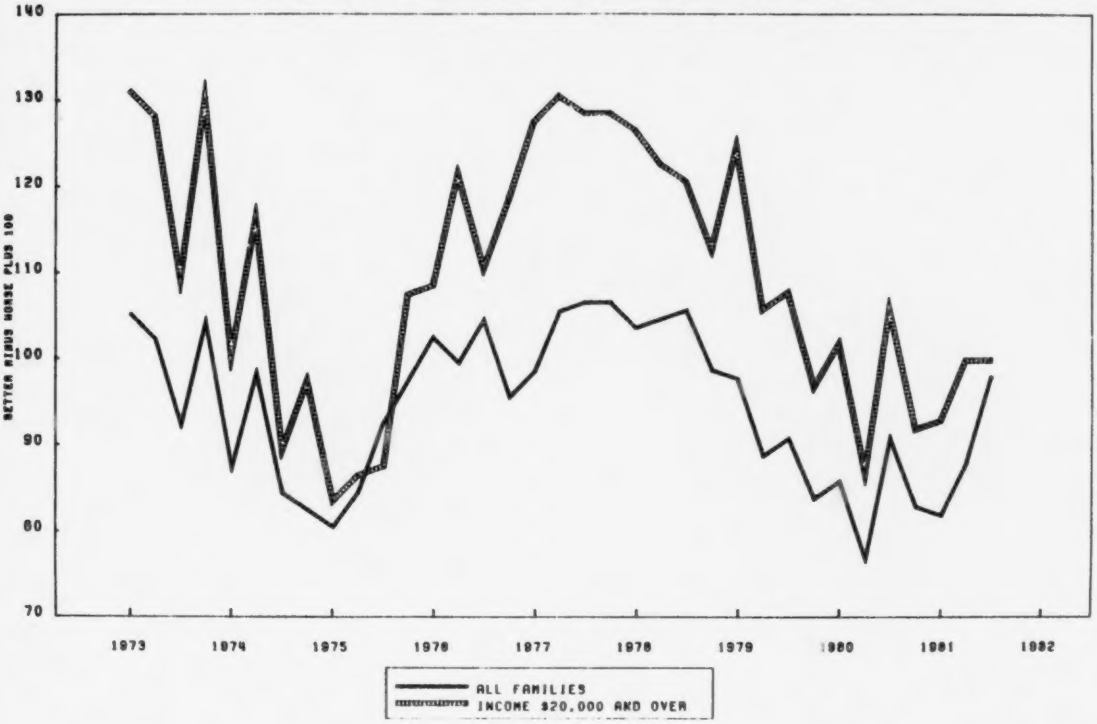

CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

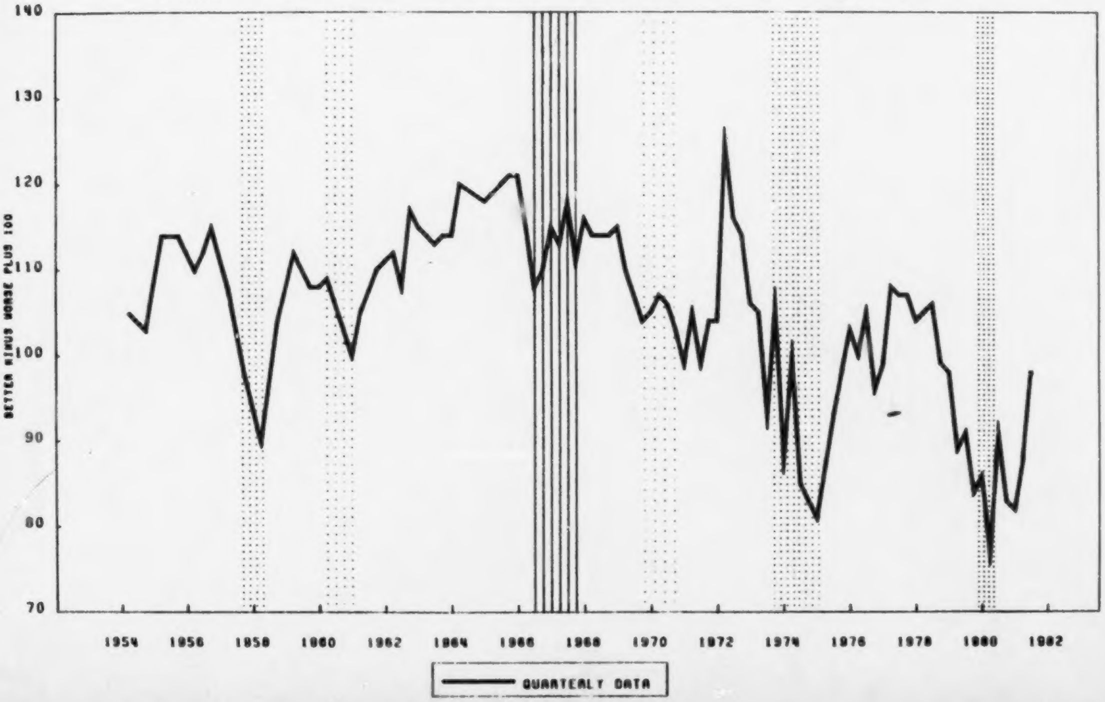

TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
BETTER OFF	37%	35%	35%	32%	31%	28%	29%	25%	31%	28%	27%	28%	33%
SAME	30	29	28	25	28	26	27	26	27	27	28	30	31
WORSE OFF	32	35	37	42	40	45	44	48	40	44	45	41	35
DK,NA	1	1	*	1	1	1	*	1	2	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	47%	43%	50%	40%	41%	36%	39%	31%	38%	34%	34%	36%	36%
SAME	27	27	25	25	26	25	24	25	29	23	24	28	28
WORSE OFF	26	29	25	35	33	39	37	44	32	42	41	35	36
DK,NA	*	1	*	*	*	*	*	*	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

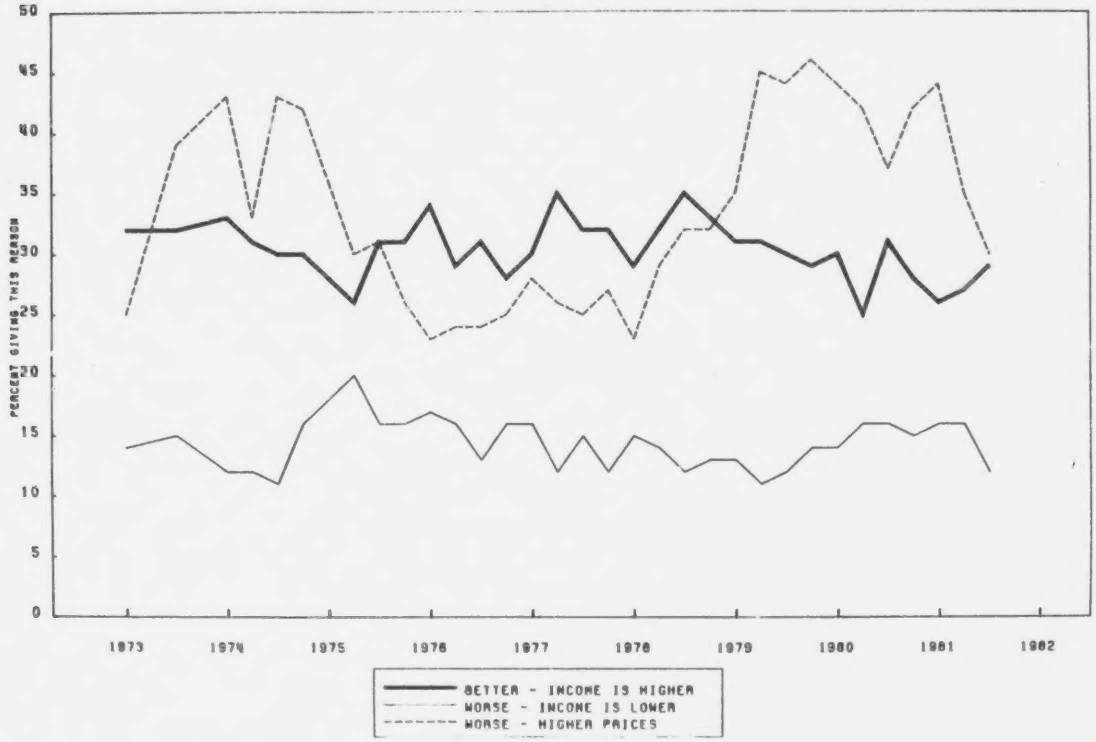

CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

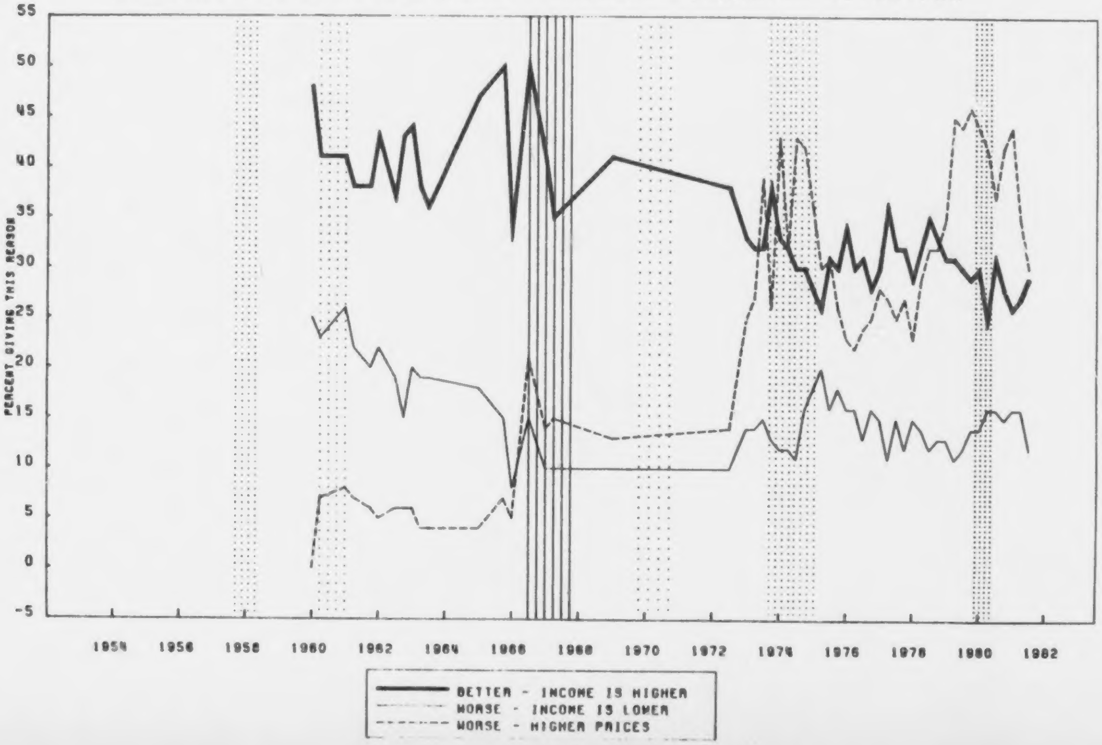

TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	33%	31%	31%	30%	29%	30%	25%	31%	28%	26%	27%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	13	13	11	12	14	14	16	16	15	16	16	12
Higher prices	32	32	35	45	44	46	44	42	37	42	44	35	30
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF THAN YEAR AGO:													
Income is higher	49%	44%	51%	45%	43%	41%	44%	35%	43%	37%	35%	39%	37%
WORSE OFF THAN YEAR AGO:													
Income is lower	7	9	8	8	9	10	11	13	12	12	14	13	12
Higher prices	33	33	32	45	41	45	42	42	33	43	42	35	32

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

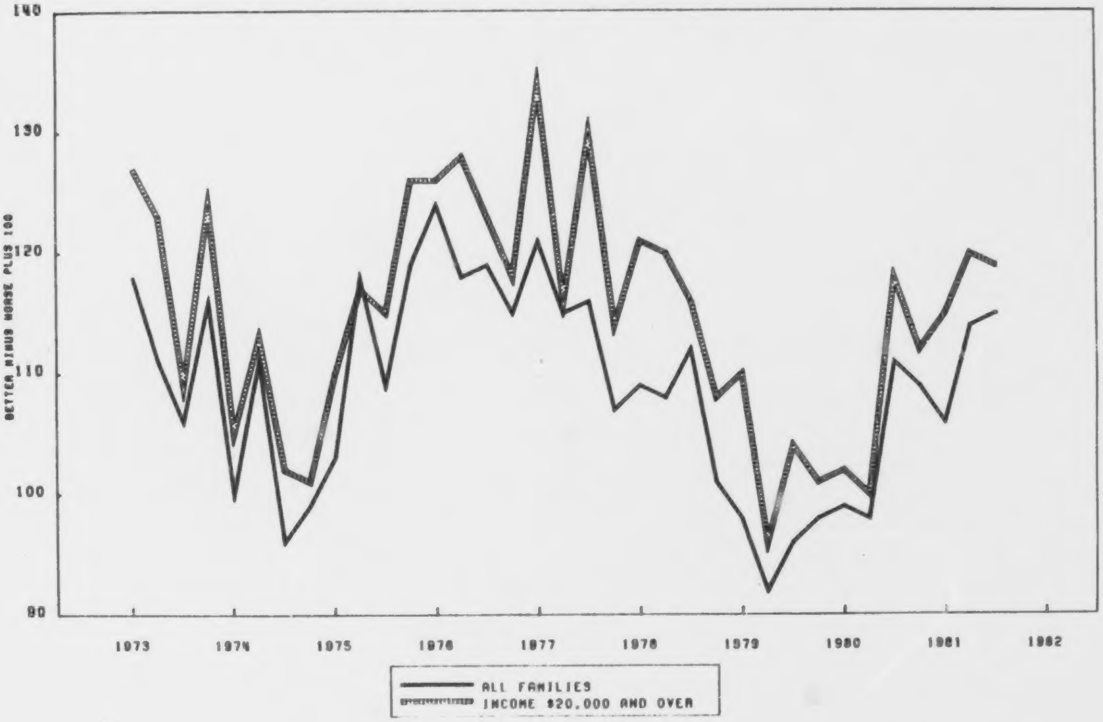

CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

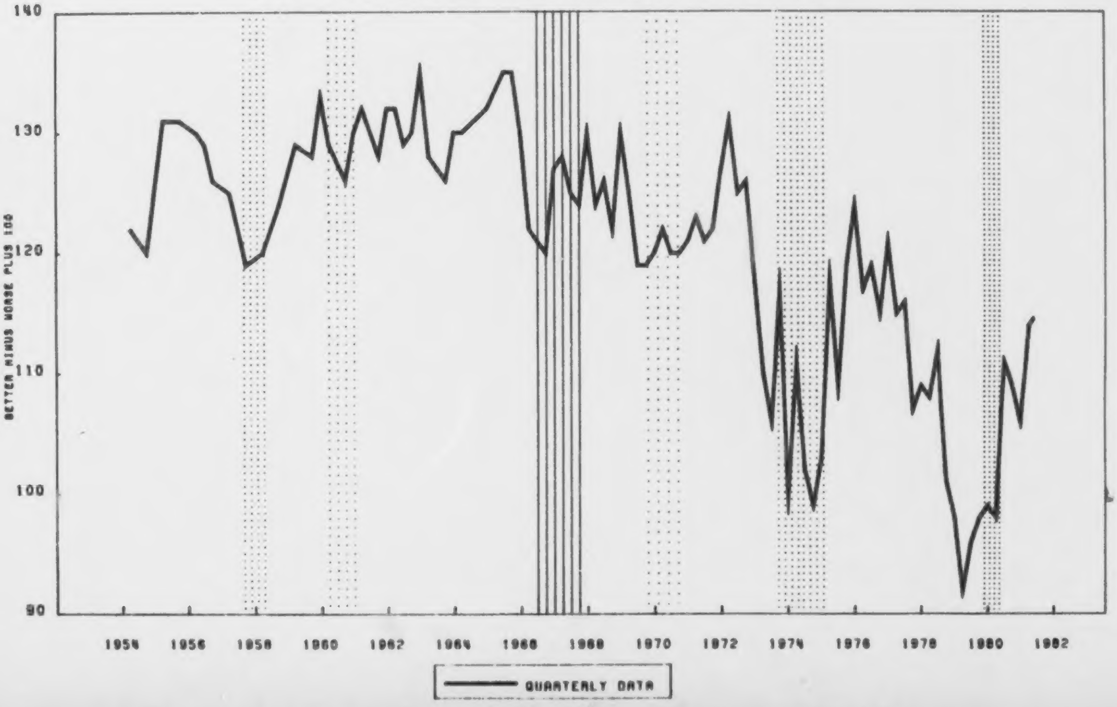

TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
BETTER OFF	28%	24%	23%	21%	23%	23%	24%	26%	30%	28%	27%	32%	31%
SAME	51	46	48	47	48	48	46	43	47	46	47	46	48
WORSE OFF	17	23	25	29	26	26	25	28	19	20	21	18	17
DK,NA	4	7	4	3	3	3	5	3	4	6	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER OFF	34%	30%	30%	25%	27%	26%	25%	26%	35%	32%	32%	37%	35%
SAME	46	45	49	45	48	49	50	46	47	46	48	44	48
WORSE OFF	18	22	20	29	23	24	23	26	16	19	18	17	15
DK,NA	2	3	1	1	2	1	2	2	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

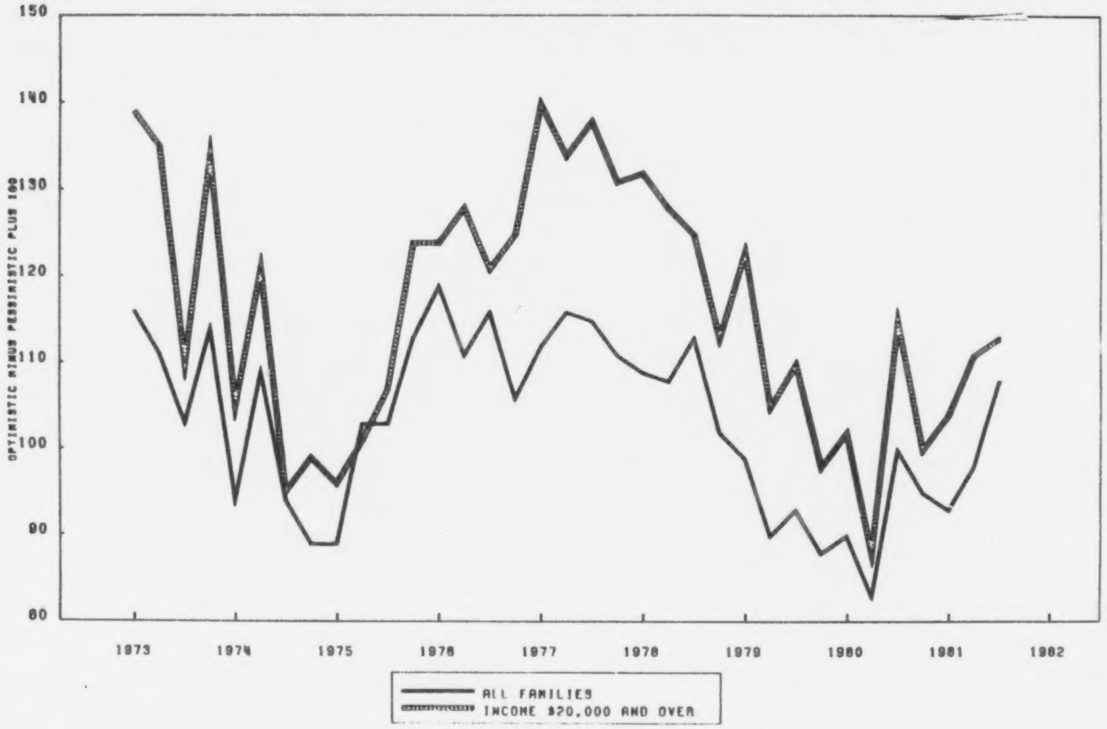

CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

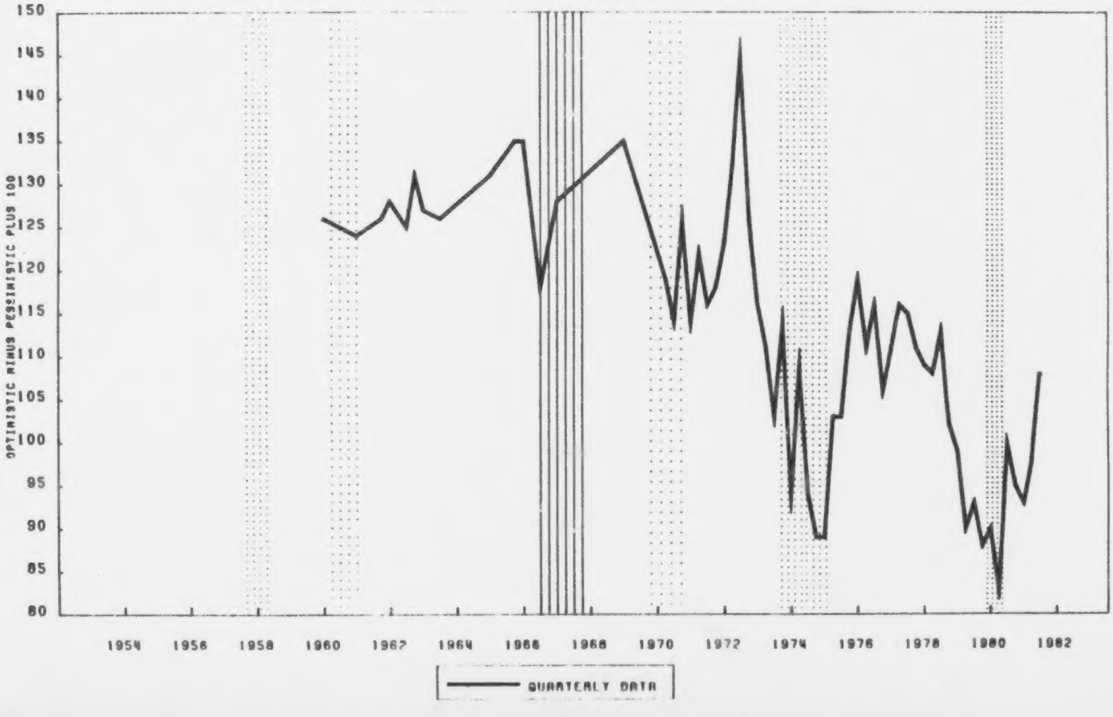

TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

A. ALL FAMILIES

PERSONAL FINANCIAL PROGRESS:	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
Continuous increase (a)	16%	14%	14%	11%	12%	11%	12%	10%	13%	11%	10%	13%	15%
Intermittant increase (b)	25	20	20	20	20	18	19	16	20	19	19	20	22
Remain unchanged (c)	18	17	17	15	16	15	14	13	15	14	15	15	18
Intermittant decline (d)	18	19	20	22	22	24	24	26	22	24	23	25	19
Continuous decline (e)	10	13	15	19	16	18	16	17	10	12	12	10	10
Mixed change (f)	8	10	9	9	11	11	11	15	15	14	15	13	11
DK,NA	5	7	5	4	3	3	4	3	5	6	6	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

PERSONAL FINANCIAL PROGRESS:	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
Continuous increase (a)	23%	20%	22%	16%	16%	13%	15%	12%	16%	15%	13%	18%	16%
Intermittant increase (b)	27	24	27	24	26	21	21	17	25	21	23	24	25
Remain unchanged (c)	16	14	15	13	15	15	14	13	16	10	12	14	15
Intermittant decline (d)	13	19	15	19	18	23	22	27	19	25	23	22	19
Continuous decline (e)	12	11	11	16	13	14	14	14	7	11	10	9	10
Mixed change (f)	8	8	8	11	10	12	12	15	15	14	16	11	13
DK,NA	1	4	2	1	2	2	2	2	2	4	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

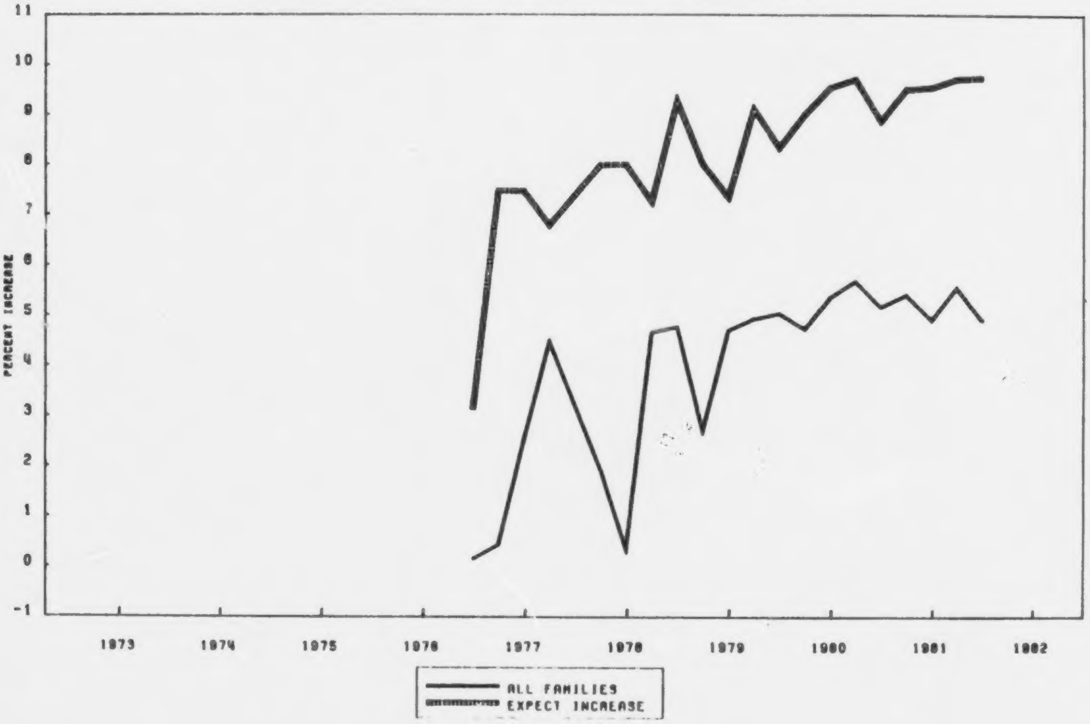

TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

A. ALL FAMILIES

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
EXPECT INCREASE:													
1-4%	5%	5%	6%	5%	5%	5%	6%	5%	6%	7%	7%	6%	6%
5%	10	9	10	7	7	8	8	7	9	8	8	9	8
6-9%	11	10	14	15	17	14	14	13	14	12	10	11	10
10-24%	18	14	16	18	19	19	20	24	20	23	20	25	23
25% or more	8	7	7	8	6	6	9	7	5	7	7	7	7
DK how much up	10	11	9	8	8	8	7	8	10	9	9	8	6
EXPECT SAME	26	31	25	26	27	28	24	23	21	22	23	21	26
EXPECT DOWN	9	9	10	9	8	8	10	11	13	9	12	10	11
DK,NA	3	4	3	4	3	4	2	2	2	3	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

B. FAMILIES WITH INCOMES OF $20,000 AND OVER

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
EXPECT INCREASE:													
1-4%	5%	5%	7%	6%	4%	5%	6%	4%	6%	6%	7%	6%	6%
5%	14	10	12	8	9	9	8	10	9	9	10	10	11
6-9%	17	17	22	22	18	22	20	20	19	18	14	15	15
10-24%	27	18	27	23	29	28	26	29	28	29	30	32	30
25% or more	5	9	5	8	8	8	8	6	5	7	6	6	7
DK how much up	5	12	7	6	9	5	6	4	6	7	5	4	3
EXPECT SAME	19	21	13	18	15	17	17	15	12	13	16	16	16
EXPECT DOWN	8	7	6	8	7	5	8	12	13	10	11	10	11
DK,NA	*	1	1	1	1	1	1	*	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9

INCOME OR PRICES UP DURING THE LAST YEAR

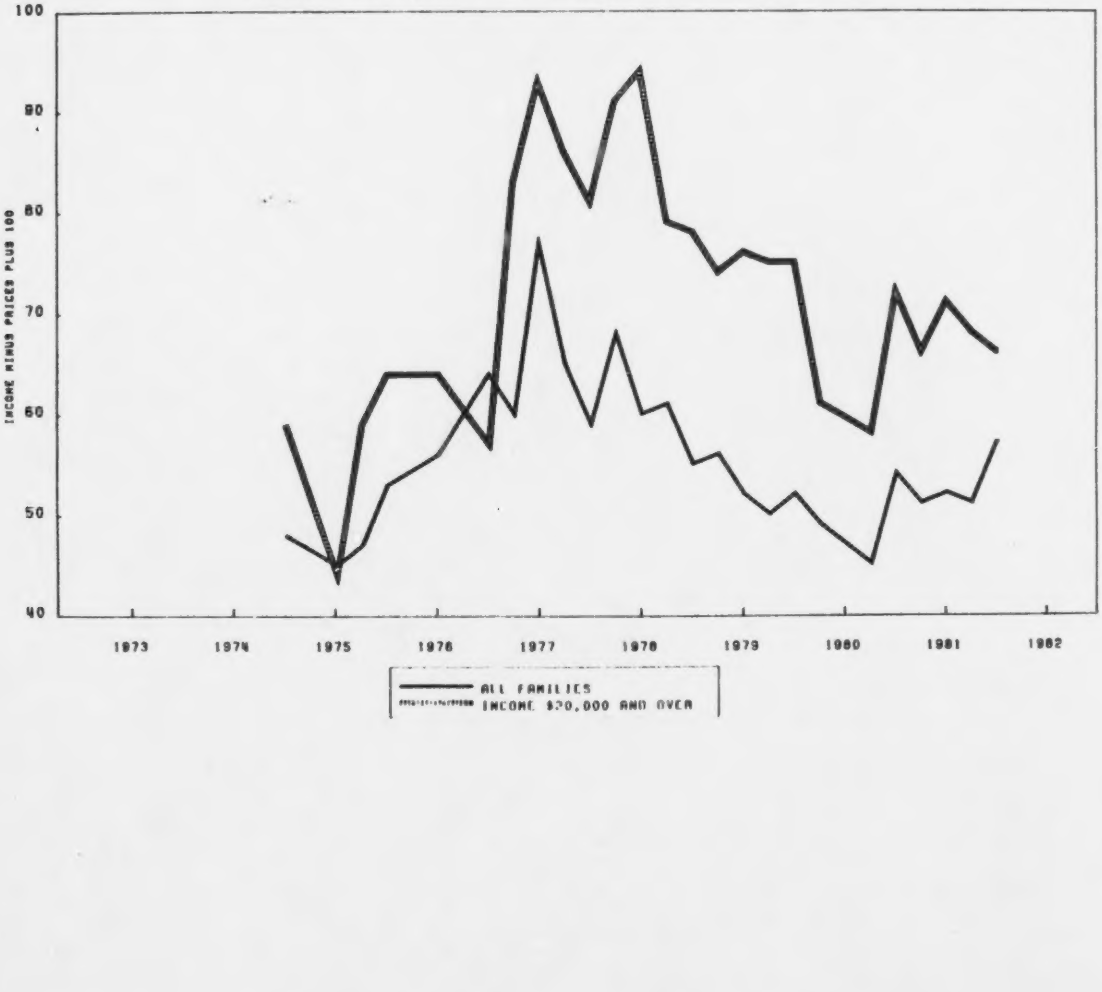

TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
INCOME UP MORE	13%	11%	11%	11%	12%	12%	13%	10%	12%	12%	12%	11%	13%
INCOME UP SAME	29	31	27	25	25	23	27	23	28	26	26	27	28
PRICES UP MORE	56	55	59	61	61	63	59	65	59	60	60	61	57
DK,NA	2	3	3	3	2	2	1	2	1	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	21%	18%	22%	22%	22%	16%	17%	16%	20%	16%	20%	17%	17%
INCOME UP SAME	36	37	30	30	31	28	34	27	31	32	30	33	31
PRICES UP MORE	43	44	46	47	47	55	48	57	48	51	50	49	51
DK,NA	*	1	2	1	*	1	1	*	1	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10

INCOME OR PRICES UP DURING THE NEXT YEAR

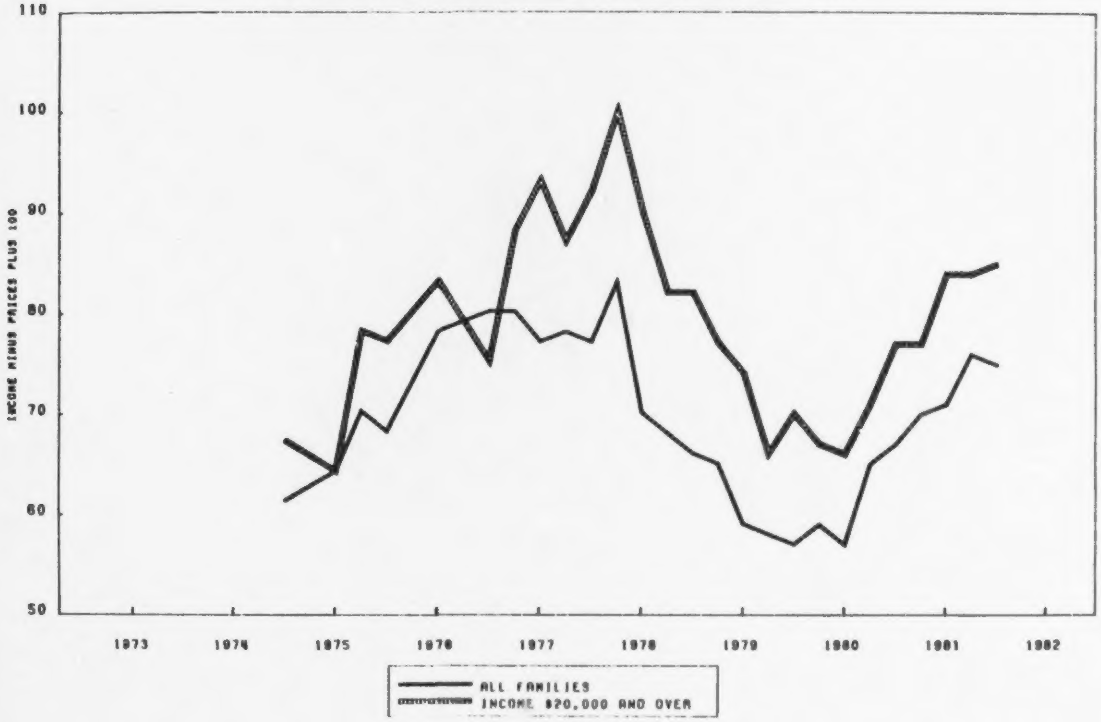

TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
INCOME UP MORE	11%	11%	10%	10%	11%	10%	10%	13%	12%	14%	13%	16%	15%
INCOME UP SAME	39	37	35	33	33	35	34	37	39	40	40	41	41
PRICES UP MORE	47	47	51	52	52	51	53	47	45	43	42	40	40
DK,NA	3	5	4	5	4	4	3	3	4	3	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
INCOME UP MORE	21%	17%	18%	15%	16%	14%	15%	15%	18%	16%	19%	19%	20%
INCOME UP SAME	40	41	37	35	37	39	36	41	39	43	43	45	43
PRICES UP MORE	38	40	44	49	46	46	48	43	41	39	36	35	35
DK,NA	1	2	1	1	1	1	1	1	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11

TREND IN INCOME AND PRICE COMPARISON

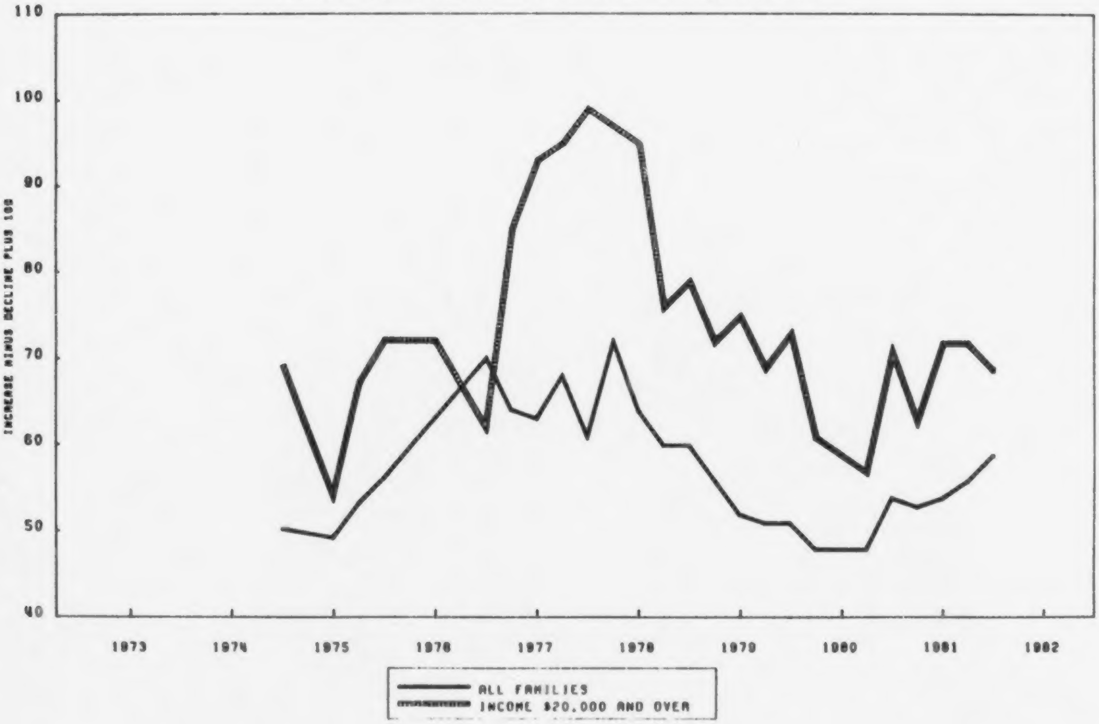

TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
REAL INCOME PROGRESS:													
Continuous increase (a)	5%	5%	4%	4%	4%	4%	7%	4%	4%	6%	6%	5%	7%
Intermittant increase (b)	10	7	7	7	8	8	8	9	10	8	9	9	9
Remain unchanged (c)	18	19	18	15	15	14	16	13	16	16	16	17	18
Intermittant decline (d)	20	21	18	21	20	22	19	24	22	25	24	25	23
Continuous decline (e)	35	35	41	39	41	42	42	40	37	35	35	34	33
Mixed change (f)	6	5	6	7	7	6	6	6	6	6	5	7	6
DK,NA	6	8	6	7	5	4	2	4	5	4	5	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
REAL INCOME PROGRESS:													
Continuous increase (a)	9%	9%	11%	9%	9%	7%	10%	7%	9%	9%	11%	9%	11%
Intermittant increase (b)	14	12	12	11	14	10	9	10	15	8	12	14	10
Remain unchanged (c)	24	25	20	19	20	18	22	16	17	20	19	21	20
Intermittant decline (d)	15	18	17	17	18	22	18	25	20	25	22	22	23
Continuous decline (e)	29	31	31	34	32	34	34	34	31	29	28	28	28
Mixed change (f)	8	3	7	7	6	8	6	7	6	6	6	5	7
DK,NA	1	2	2	3	1	1	1	1	2	3	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

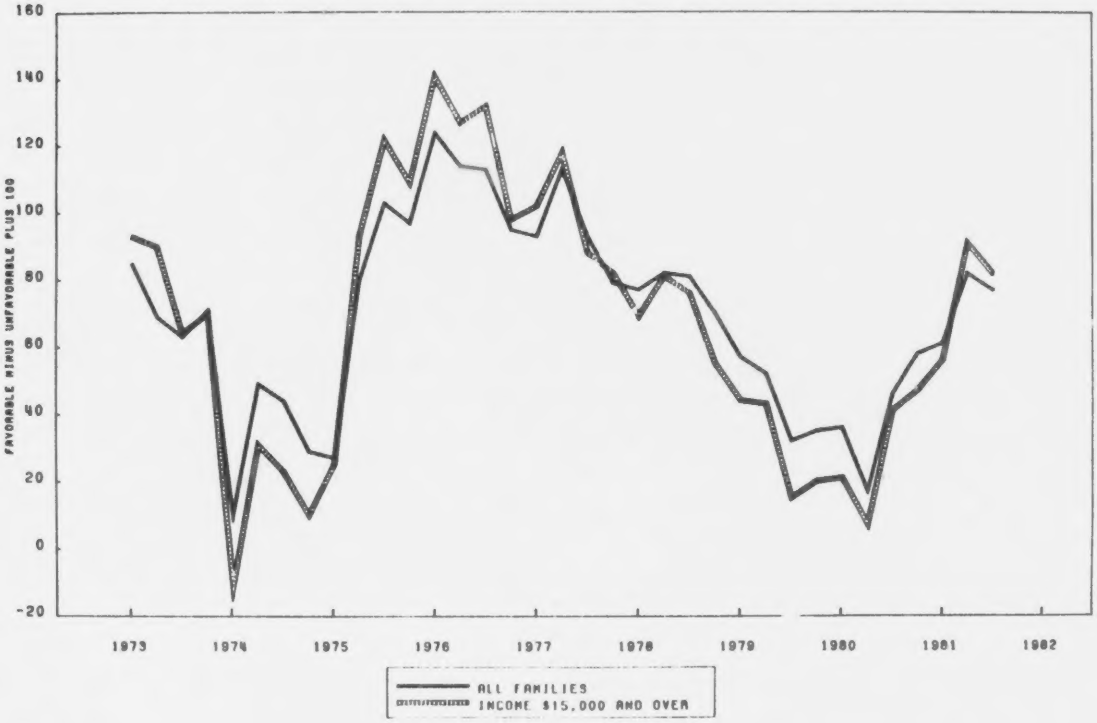

CHART 12 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

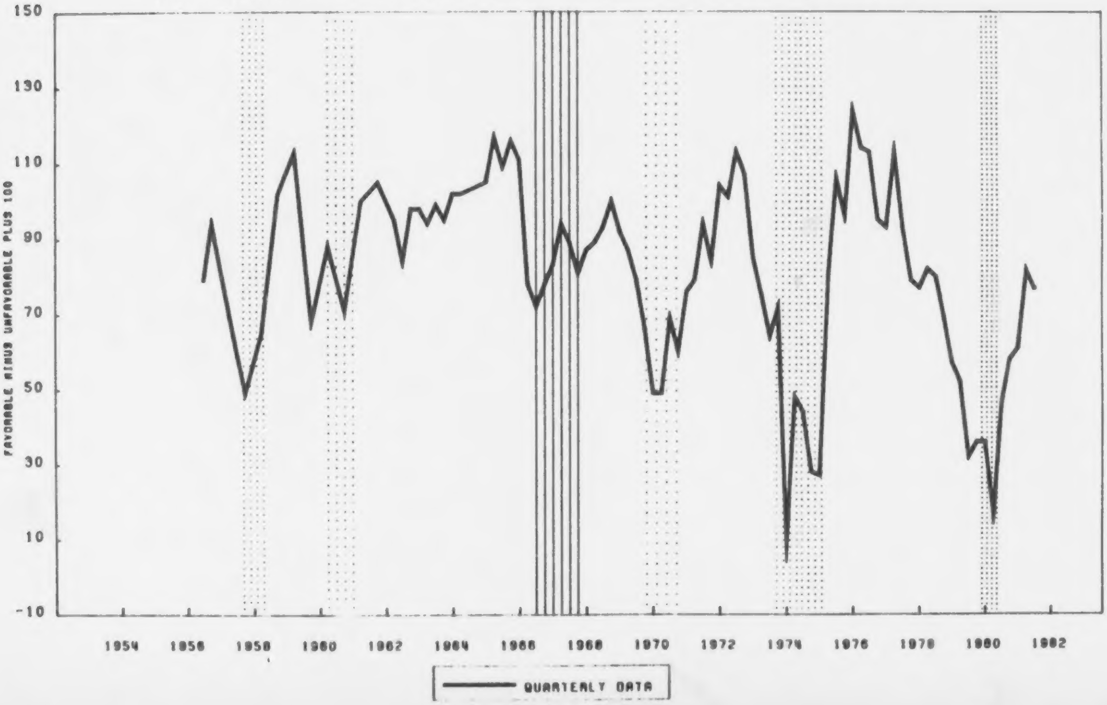

TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
FAVORABLE NEWS	22%	18%	16%	16%	12%	12%	14%	12%	24%	24%	24%	28%	26%
UNFAVORABLE NEWS	42	49	59	64	80	76	78	94	79	66	63	46	49
NO MENTIONS	50	50	45	42	38	42	40	31	34	41	42	49	49
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS	30%	20%	22%	22%	15%	16%	15%	15%	31%	29%	34%	43%	35%
UNFAVORABLE NEWS	55	65	78	79	100%	97	94	108	89	82	78	52	54
NO MENTIONS	37	39	31	30	26	29	31	23	26	30	30	36	41

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

TABLE 13

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
FAVORABLE NEWS:													
Government; elections	3%	3%	1%	1%	1%	1%	1%	1%	1%	4%	7%	5%	6%
Employment	8	7	6	6	5	4	5	2	6	7	6	6	7
Higher consumer demand	2	2	2	1	1	1	1	1	2	2	1	3	2
Lower prices	1	*	1	1	*	1	1	1	1	1	1	2	2
Easier credit	*	*	*	*	*	*	1	4	7	1	3	3	2
UNFAVORABLE NEWS:													
Government; elections	5	3	5	3	3	3	3	3	3	3	5	5	5
Unemployment	10	10	11	12	18	18	17	37	33	22	18	16	17
Lower consumer demand	1	2	3	3	7	8	9	9	11	9	11	5	4
Higher prices	10	11	15	18	18	13	16	12	12	9	9	5	4
Tighter credit	4	7	6	3	5	14	13	16	6	13	8	7	8
Energy crisis	1	1	4	11	10	4	3	1	1	1	1	*	1
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE NEWS:													
Government; elections	2%	4%	3%	2%	1%	1%	1%	2%	1%	5%	12%	9%	9%
Employment	12	7	7	8	6	5	5	3	6	9	8	9	9
Higher consumer demand	2	2	2	2	1	1	1	*	2	2	2	3	3
Lower prices	2	1	1	*	*	1	1	1	1	1	1	3	3
Easier credit	1	*	*	1	*	1	1	7	11	2	3	6	3
UNFAVORABLE NEWS:													
Government; elections	5	4	7	4	3	4	3	3	4	3	6	4	4
Unemployment	8	11	12	12	19	20	21	39	38	26	19	16	18
Lower consumer demand	1	2	3	4	10	10	12	12	13	11	13	7	6
Higher prices	12	13	20	22	21	15	18	12	9	9	10	6	4
Tighter credit	9	11	11	6	8	22	18	23	8	19	15	10	10
Energy crisis	2	1	7	14	12	5	3	1	1	1	1	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

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CHART 14 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

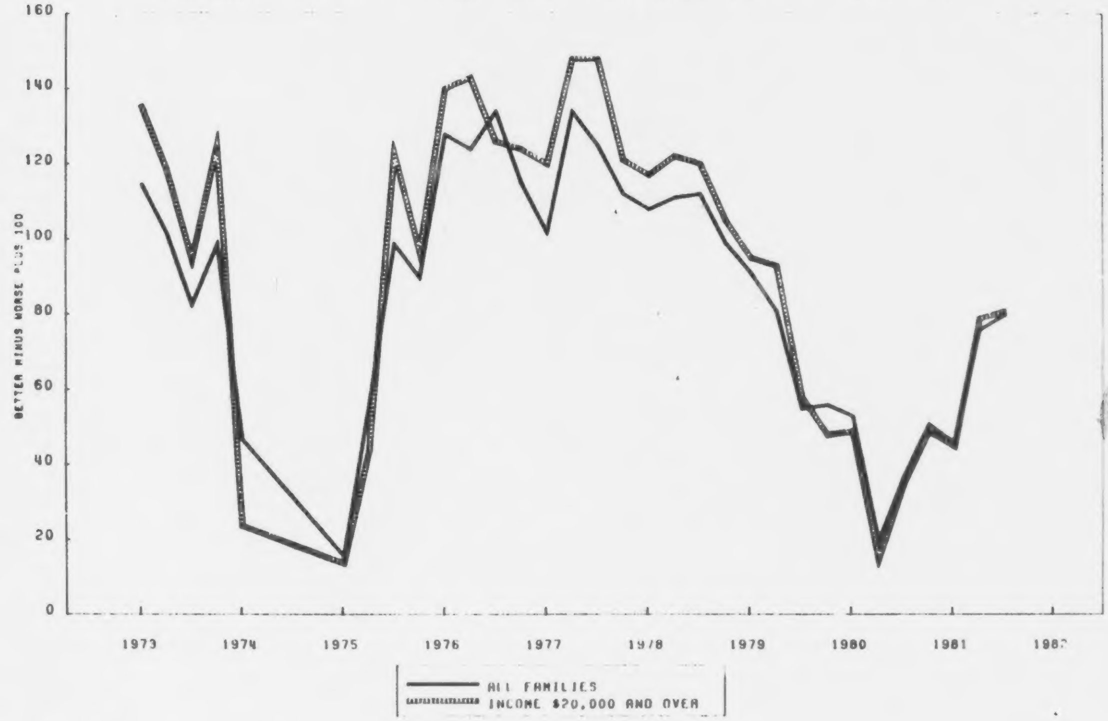


CHART 14 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

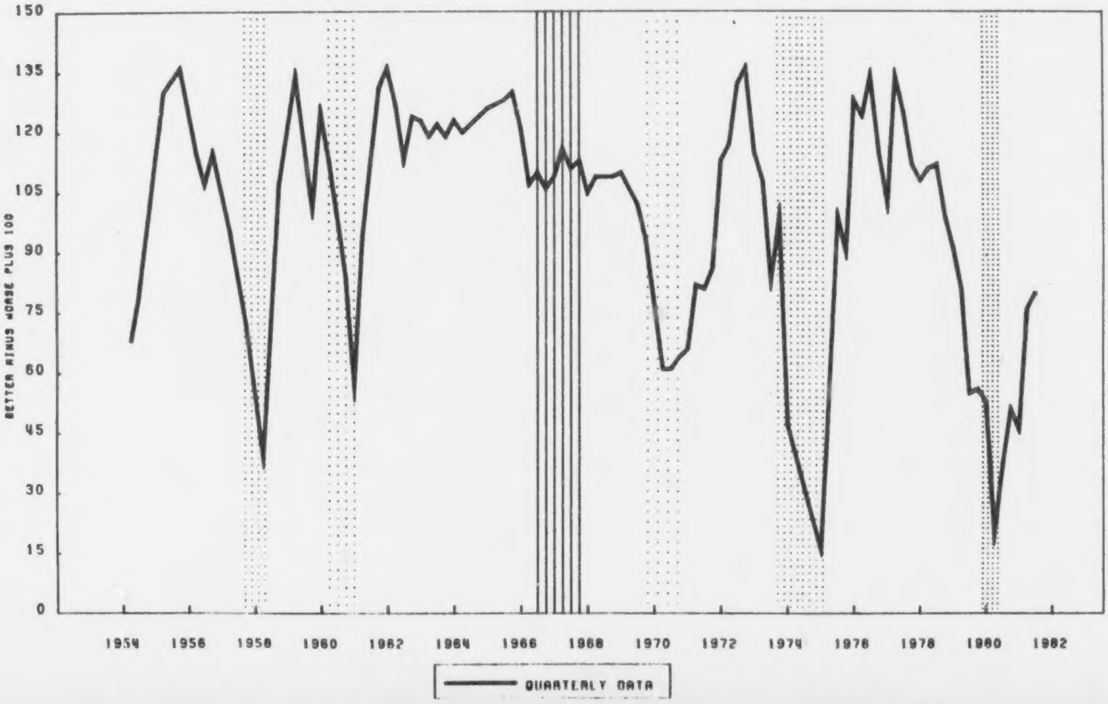


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
BETTER NOW	46%	38%	36%	32%	21%	20%	19%	7%	15%	19%	15%	28%	31%
SAME	15	19	15	14	10	12	12	6	7	11	14	17	15
WORSE NOW	35	39	45	50	66	65	66	86	77	67	69	53	51
DK,NA	4	4	4	4	3	3	3	1	1	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER NOW	52%	44%	39%	39%	23%	19%	18%	4%	14%	18%	16%	31%	34%
SAME	13	15	15	13	9	10	12	5	5	11	12	16	12
WORSE NOW	33	39	45	46	66	70	69	90	80	70	71	52	52
DK,NA	2	2	1	2	2	1	1	1	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 15 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

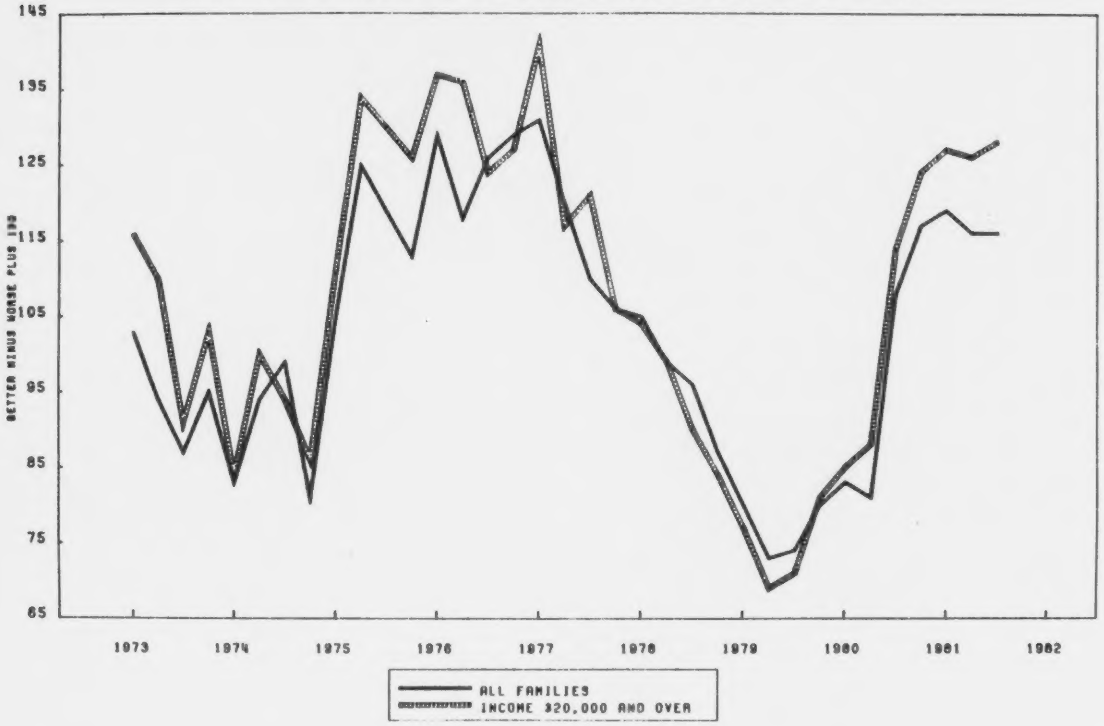


CHART 15 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

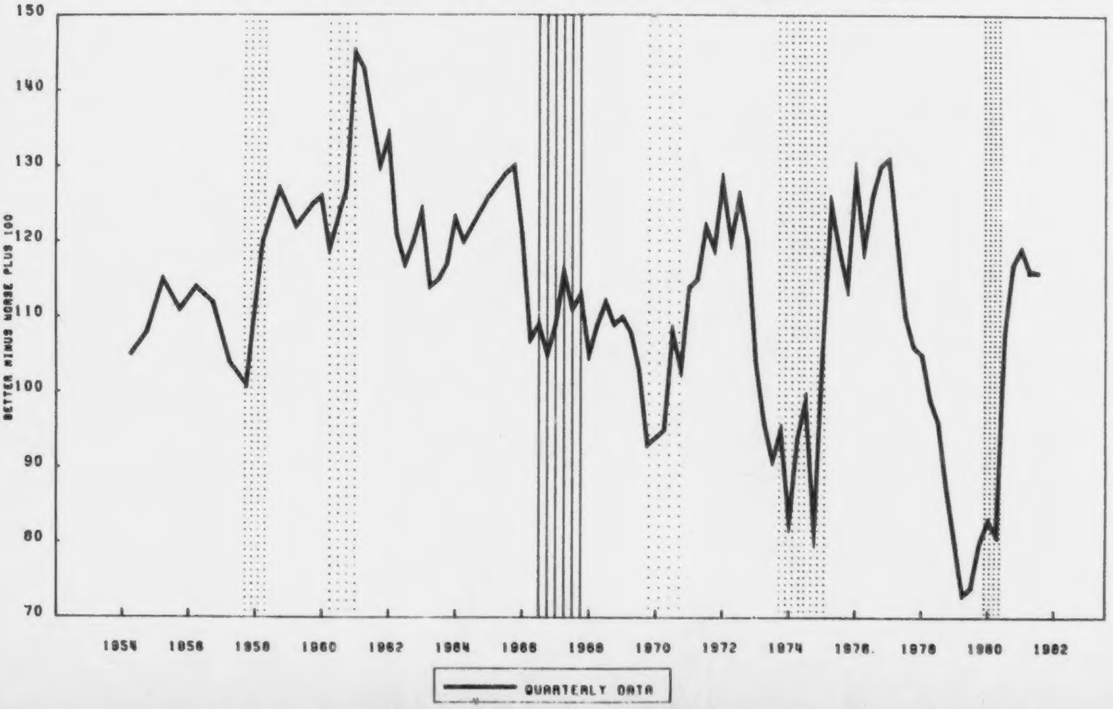


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
BETTER	19%	17%	14%	11%	13%	15%	17%	20%	29%	34%	37%	36%	34%
SAME	55	49	48	46	45	46	45	37	45	44	42	42	44
WORSE	23	29	34	39	39	36	35	39	22	17	18	20	19
DK,NA	3	5	4	4	3	3	3	4	4	5	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
BETTER	19%	18%	15%	13%	15%	18%	19%	24%	34%	40%	42%	41%	41%
SAME	51	44	45	43	39	43	45	38	44	41	40	42	44
WORSE	29	34	38	43	45	38	35	36	20	16	15	16	13
DK,NA	1	4	2	1	1	1	1	2	2	3	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
FAVORABLE REASONS:													
Government; elections	7%	6%	5%	4%	6%	9%	11%	10%	15%	26%	33%	27%	25%
Employment	4	4	4	3	2	2	4	2	4	4	3	4	3
Higher consumer demand	4	3	3	4	3	2	3	2	3	3	2	2	3
Lower prices	2	3	2	1	1	2	1	3	2	3	2	2	3
Easier credit	*	*	1	1	*	2	1	3	3	2	3	3	4
UNFAVORABLE REASONS:													
Government; elections	13	8	12	9	9	8	13	10	9	9	8	9	11
Unemployment	7	5	5	5	9	9	5	12	8	6	6	6	7
Lower consumer demand	4	4	4	5	7	7	7	5	5	3	4	4	5
Higher prices	20	21	22	27	24	23	16	16	11	9	9	8	7
Tighter credit	2	4	2	3	2	7	3	7	2	4	3	3	6
Energy crisis	1	1	4	14	8	6	6	2	1	1	1	*	*
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
FAVORABLE REASONS:													
Government; elections	7%	6%	7%	4%	7%	12%	15%	11%	17%	31%	38%	33%	29%
Employment	5	2	3	2	3	1	4	3	5	5	3	4	5
Higher consumer demand	5	3	4	3	2	3	5	2	4	5	3	3	4
Lower prices	2	3	2	1	2	2	2	4	2	3	3	3	4
Easier credit	1	1	2	1	*	4	3	6	3	4	5	5	8
UNFAVORABLE REASONS:													
Government; elections	15	11	12	10	11	10	13	8	9	8	8	8	7
Unemployment	8	4	5	4	9	9	4	11	7	4	4	5	6
Higher consumer demand	5	4	5	5	7	7	6	5	6	4	5	3	3
Higher prices	18	21	27	31	27	28	21	15	10	10	7	7	5
Tighter credit	2	6	4	3	2	11	3	9	3	5	4	4	8
Energy crisis	1	1	6	16	12	6	5	3	1	1	2	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

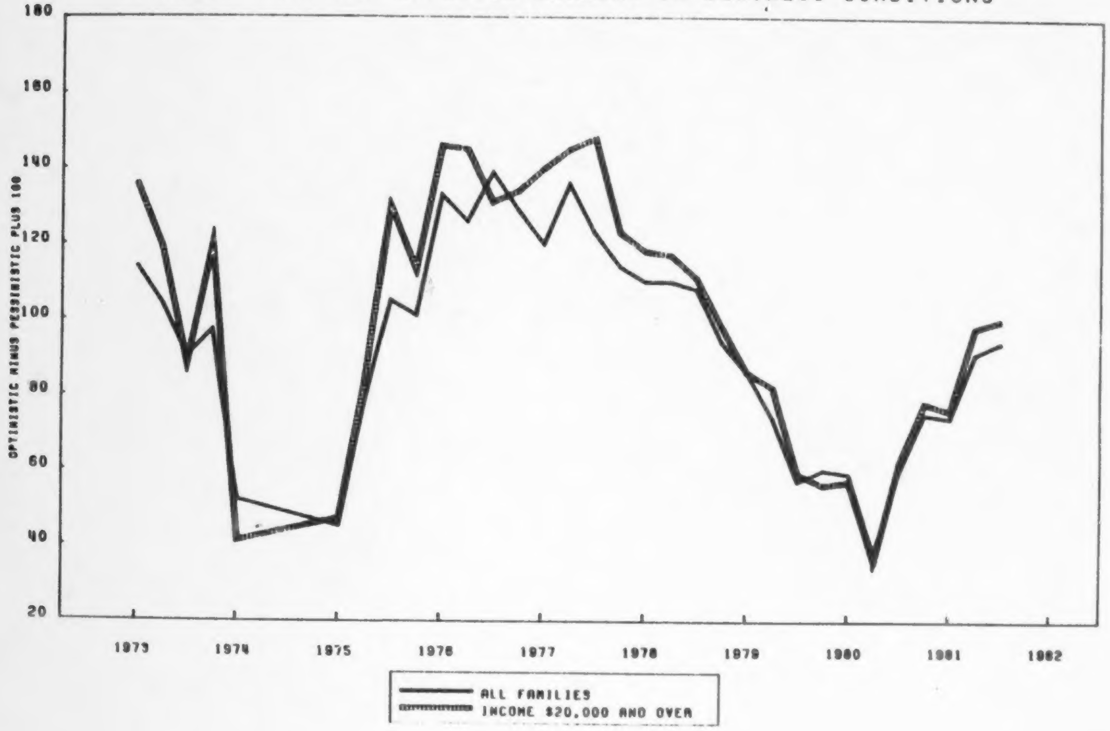


CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

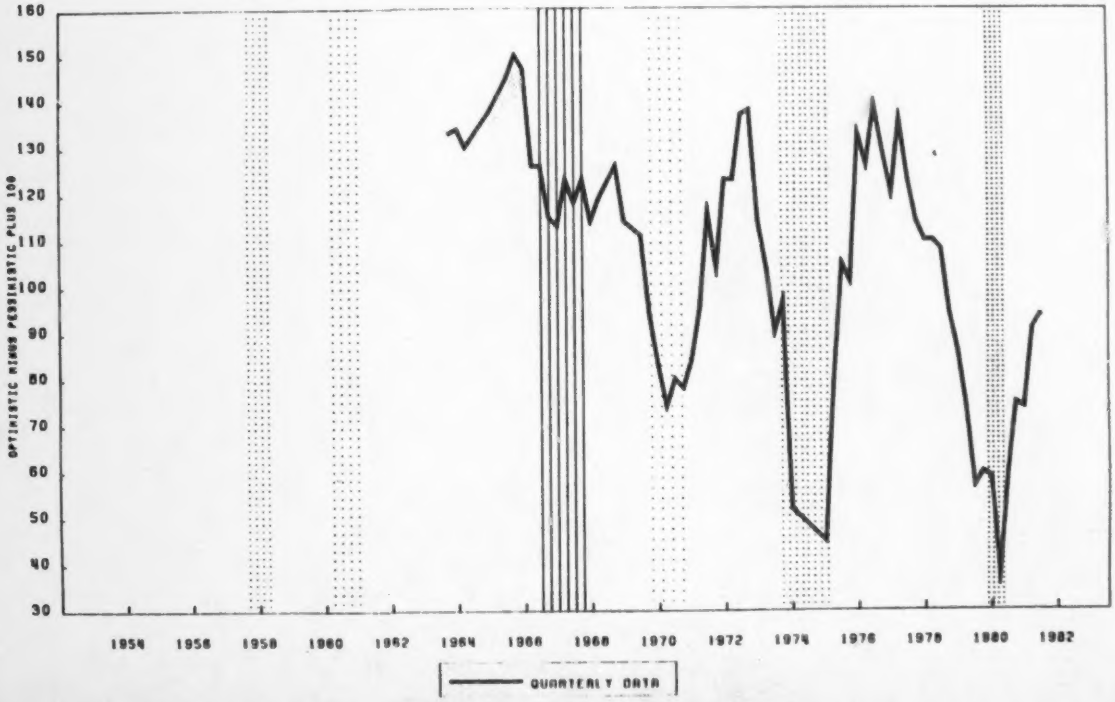


CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
TREND:													
Continuous increase (a)	14%	10%	8%	7%	4%	5%	6%	2%	5%	8%	7%	16%	16%
Intermittant increase (b)	27	23	21	16	13	12	10	5	9	12	12	15	18
Remain unchanged (c)	10	10	9	9	5	7	7	2	3	5	7	9	7
Intermittant decline (d)	20	21	21	25	29	30	31	33	35	31	30	26	26
Continuous decline (e)	13	18	22	24	31	28	26	36	19	14	15	14	14
Mixed change (f)	10	10	12	13	13	13	15	18	24	23	24	16	15
DK,NA	6	8	7	6	5	5	5	4	5	7	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
TREND:													
Continuous increase (a)	15%	11%	8%	8%	5%	5%	5%	2%	6%	10%	9%	18%	18%
Intermittant increase (b)	28	24	22	20	14	12	11	3	8	12	11	17	18
Remain unchanged (c)	9	8	8	7	3	5	7	2	2	5	5	8	6
Intermittant decline (d)	17	17	21	21	26	31	31	35	35	29	31	26	27
Continuous decline (e)	16	20	23	25	34	30	27	34	18	14	13	11	9
Mixed change (f)	13	14	15	16	15	15	16	22	28	26	28	18	20
DK,NA	2	6	3	3	3	2	3	2	3	4	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

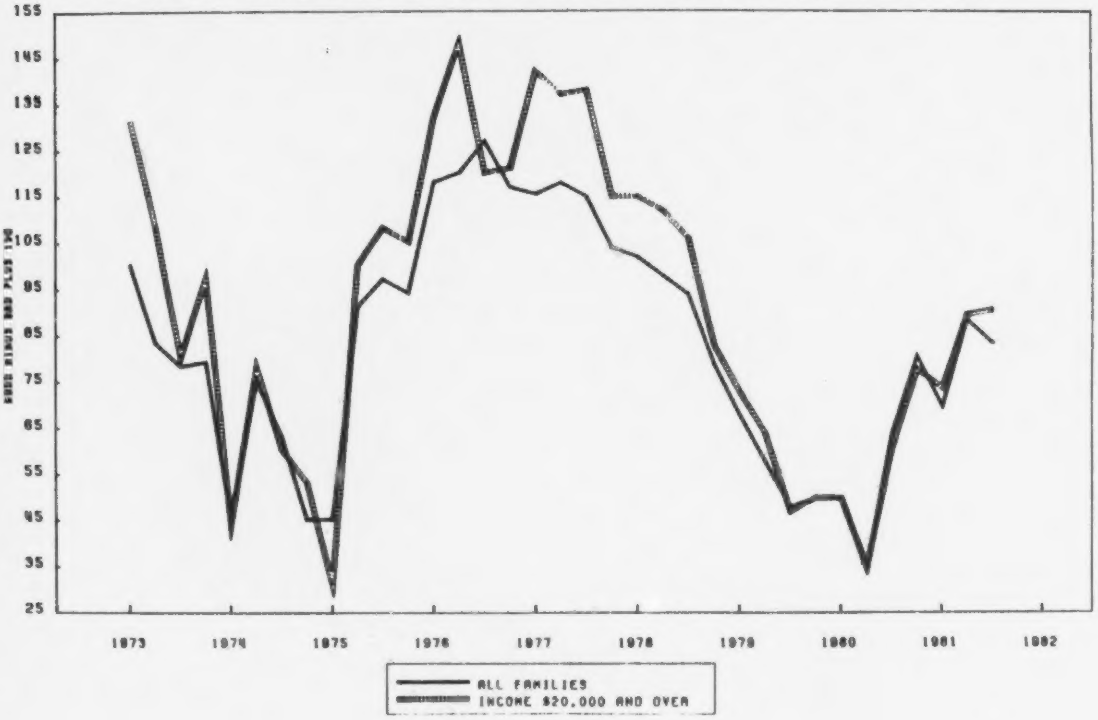


CHART 18 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

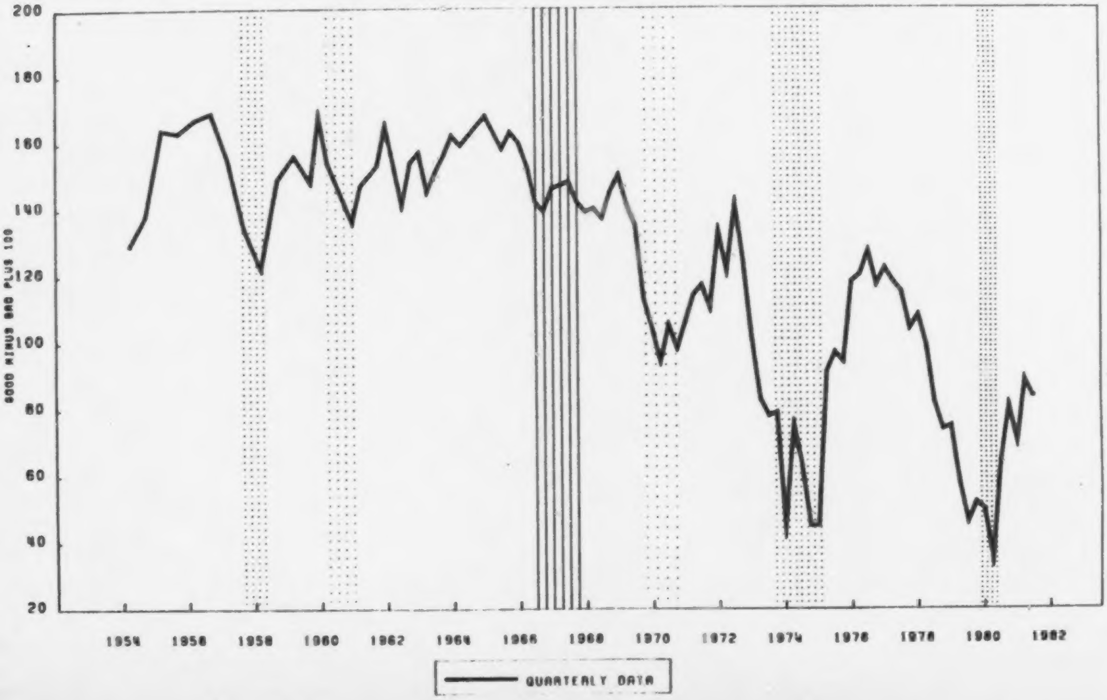


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIMES	39%	29%	25%	22%	18%	19%	20%	14%	26%	32%	28%	39%	36%
UNCERTAIN; GOOD & BAD	6	8	6	4	2	2	1	1	2	2	3	3	3
BAD TIMES	45	50	57	63	69	69	70	78	63	52	58	51	52
DON'T KNOW	6	9	7	5	5	4	4	4	6	8	7	5	5
NOT ASCERTAINED	4	4	5	6	6	6	5	3	3	6	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	47%	33%	30%	26%	19%	20%	21%	15%	28%	33%	33%	41%	40%
UNCERTAIN; GOOD & BAD	7	9	6	4	2	2	1	2	2	2	2	3	3
BAD TIMES	42	51	58	63	72	70	71	80	66	55	59	51	49
DON'T KNOW	2	4	3	2	2	2	3	1	2	5	2	3	4
NOT ASCERTAINED	2	3	3	5	5	6	4	2	2	5	4	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

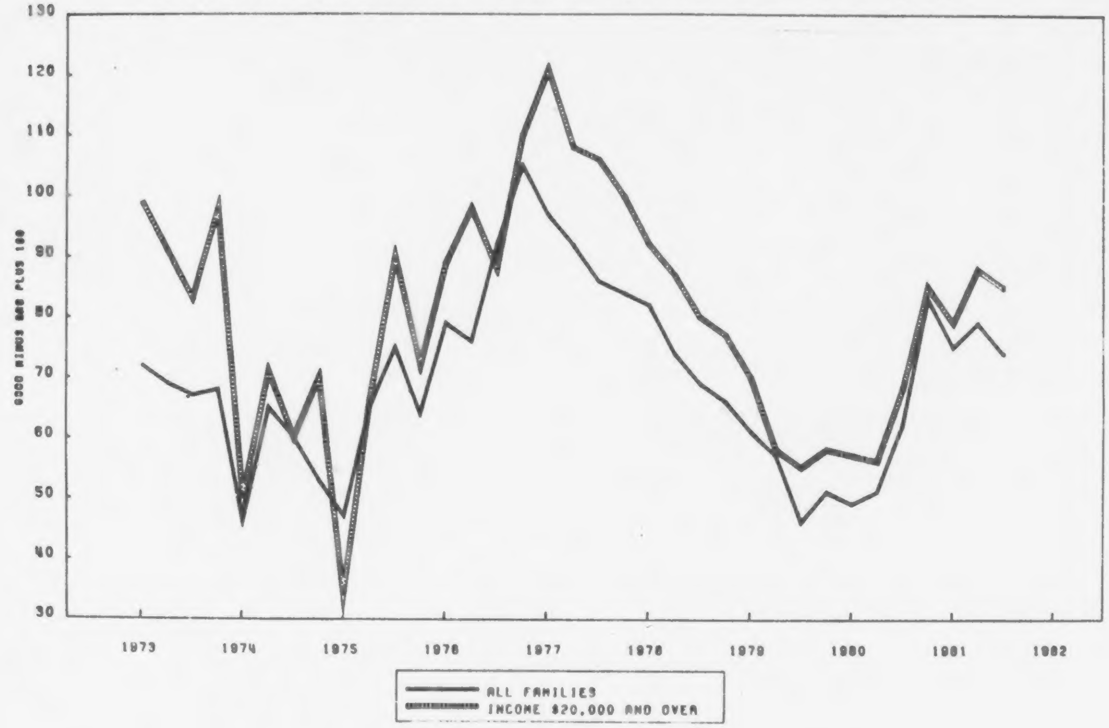


CHART 19 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

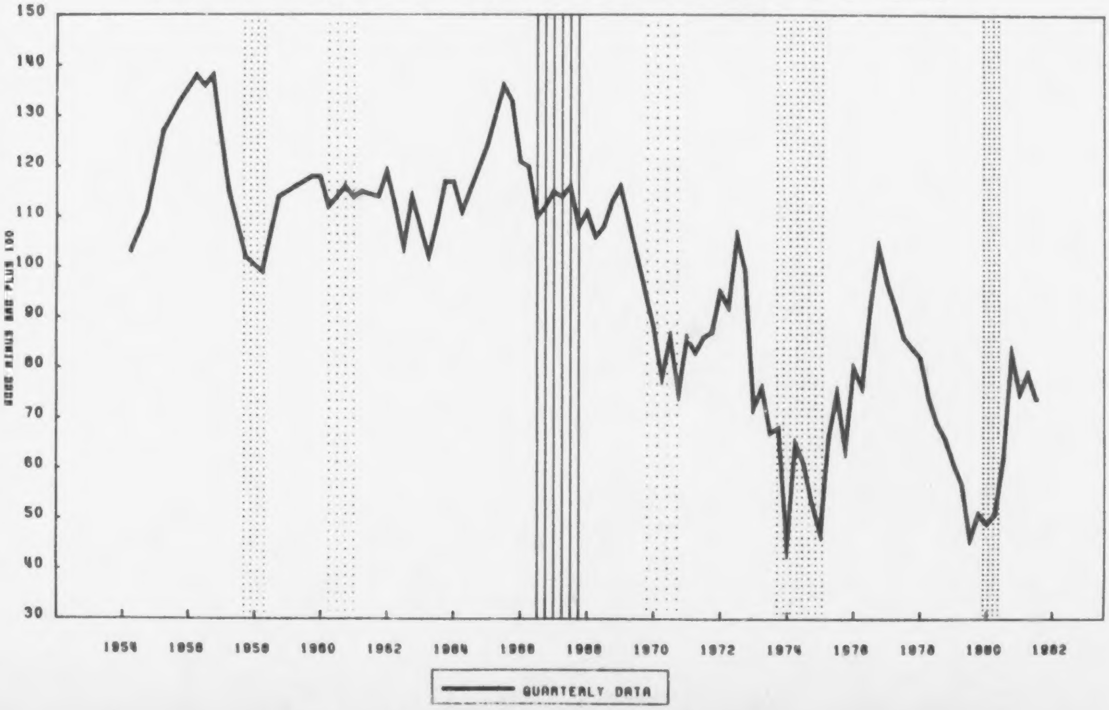


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIMES	23%	18%	19%	17%	13%	16%	17%	17%	21%	29%	28%	32%	28%
UNCERTAIN; GOOD & BAD	17	20	16	15	15	14	11	12	14	17	14	11	13
BAD TIMES	54	52	58	60	67	65	68	66	59	46	53	53	54
NOT ASCERTAINED	6	10	7	8	5	5	4	5	6	8	5	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIMES	29%	23%	24%	18%	16%	20%	21%	19%	25%	31%	30%	36%	33%
UNCERTAIN; GOOD & BAD	18	21	18	15	17	13	10	12	13	16	14	12	13
BAD TIMES	49	46	55	60	62	62	65	63	57	46	50	48	48
NOT ASCERTAINED	4	10	3	7	5	5	4	6	5	7	6	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

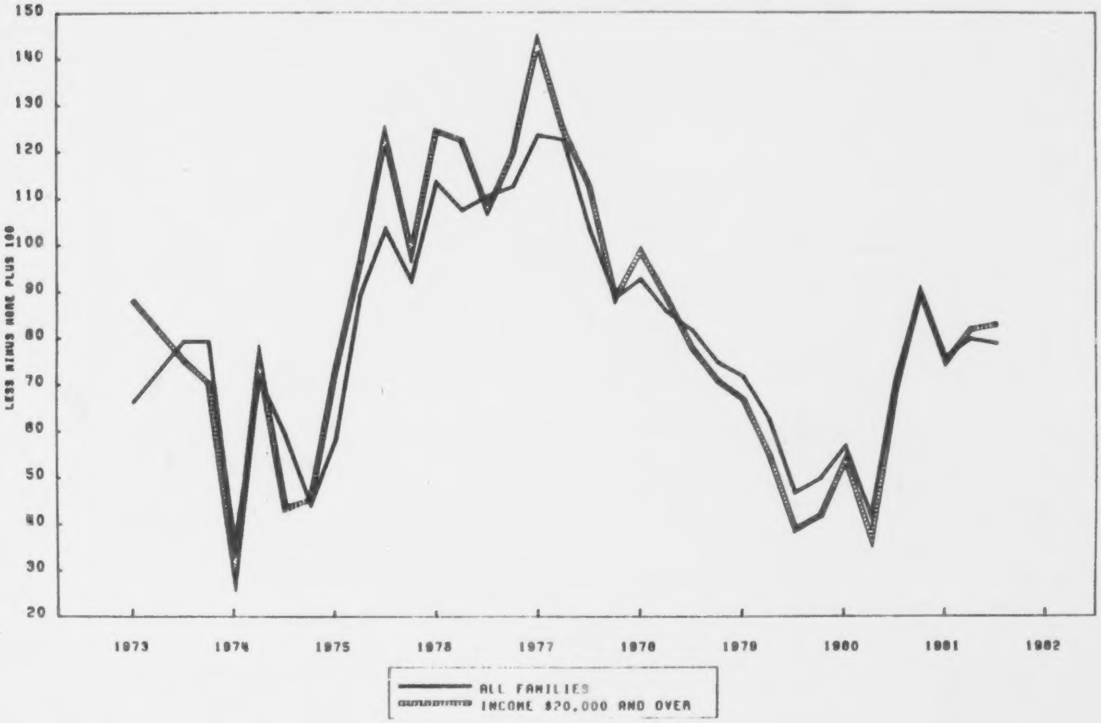


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

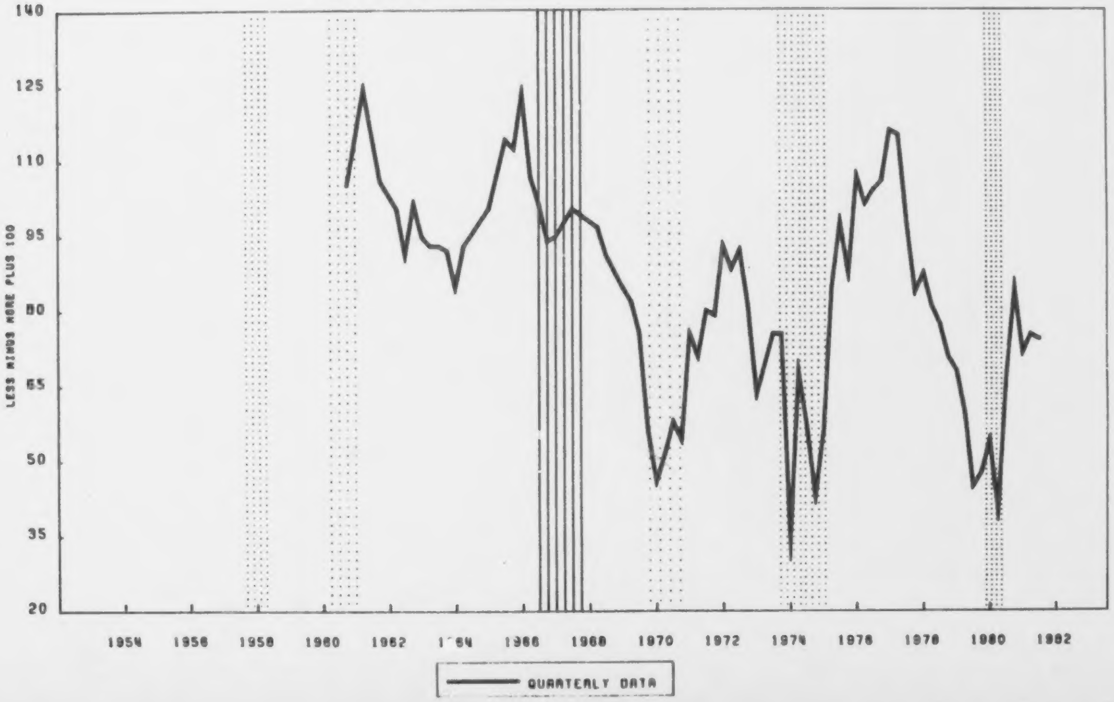


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
LESS	14%	12%	11%	8%	6%	7%	10%	7%	17%	21%	16%	17%	16%
SAME	51	47	47	42	32	34	36	26	35	45	42	44	45
MORE	32	37	39	46	60	57	52	66	46	31	40	37	37
DK,NA	3	4	3	4	2	2	2	1	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
LESS	13%	9%	9%	5%	5%	4%	9%	7%	16%	21%	16%	18%	17%
SAME	51	51	48	42	29	32	36	24	36	47	42	45	48
MORE	35	38	42	51	65	63	54	69	48	31	41	36	34
DK,NA	1	2	1	2	1	1	1	*	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

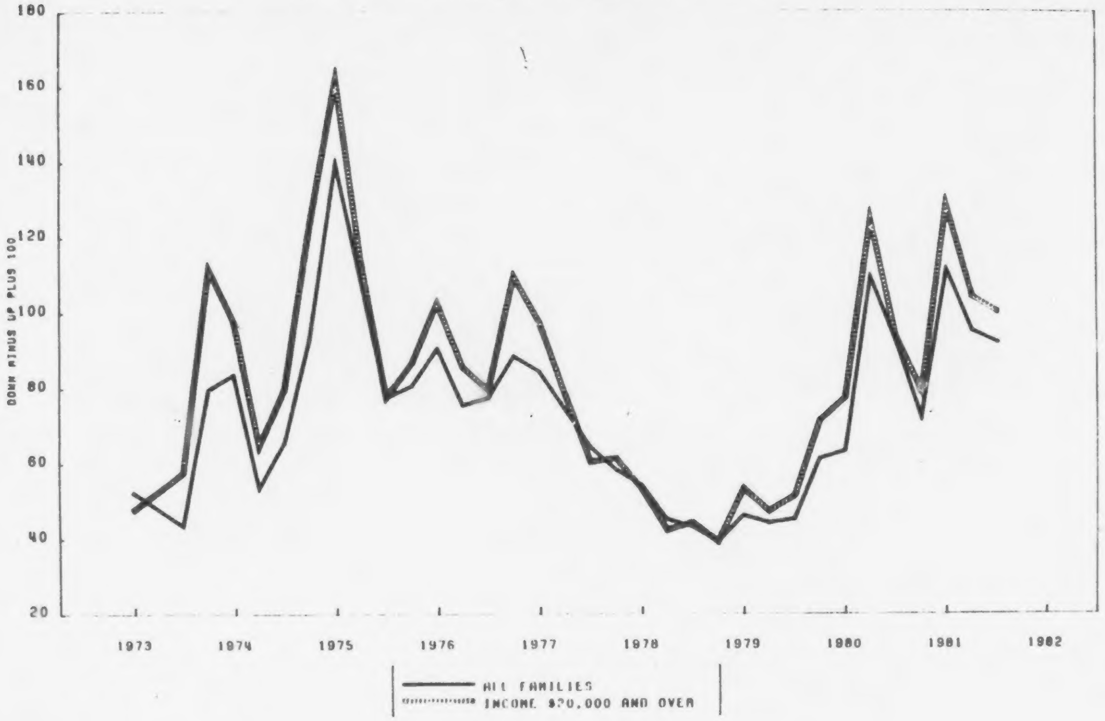


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

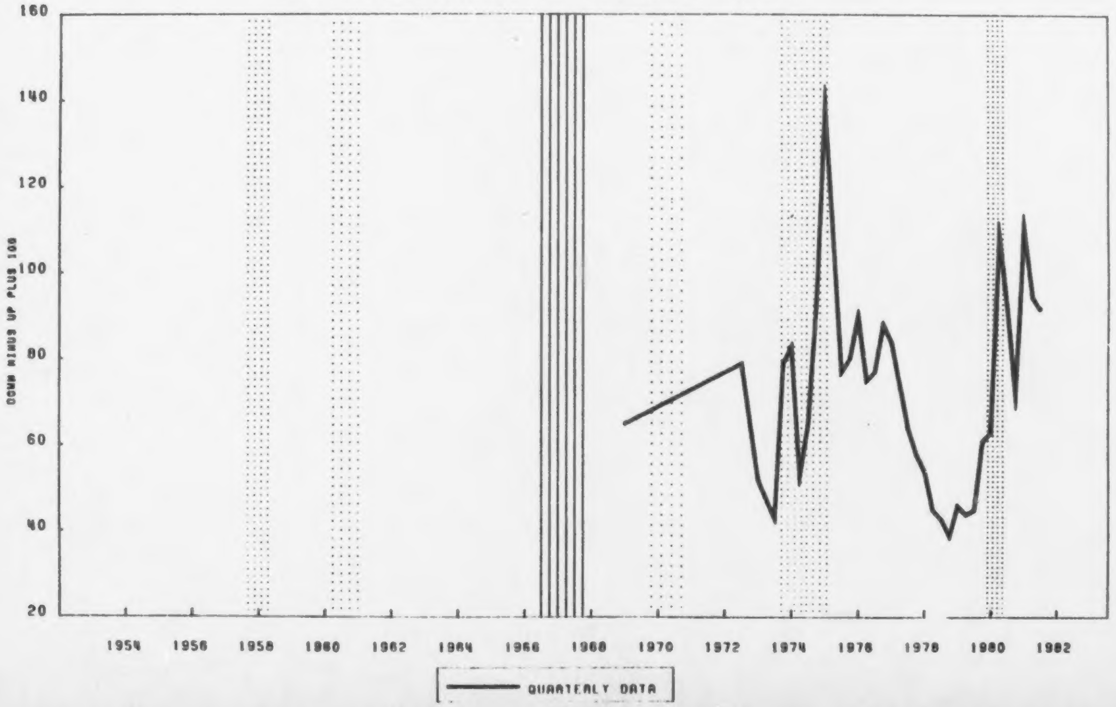


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
GO UP	64%	67%	63%	64%	64%	57%	54%	34%	38%	51%	30%	37%	36%
STAY THE SAME	24	22	23	24	23	21	25	20	29	20	23	28	32
GO DOWN	7	6	9	8	9	19	17	43	29	23	41	31	28
DK,NA	5	5	5	4	4	3	4	3	4	6	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GO UP	64%	68%	58%	62%	62%	54%	47%	28%	37%	48%	22%	31%	32%
STAY THE SAME	25	22	29	26	25	20	27	19	30	21	23	31	35
GO DOWN	9	8	12	9	12	25	24	52	30	27	51	35	32
DK,NA	2	2	1	3	1	1	2	1	3	4	4	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
SAME OR DOWN	2%	4%	1%	1%	1%	1%	2%	5%	4%	2%	3%	6%	10%
GONE UP BY:													
1-2%	3	3	2	1	1	2	1	1	2	2	2	4	3
3-4%	4	5	5	4	3	3	4	3	5	4	4	6	6
5%	10	7	6	6	6	5	6	5	7	9	7	7	8
6-9%	16	17	17	13	10	10	8	8	11	11	9	11	11
10-14%	21	22	27	29	30	32	28	25	22	25	31	27	24
15% or more	26	22	27	32	34	33	38	38	31	31	26	26	21
DK how much up	17	20	15	14	15	14	13	14	17	15	17	13	16
DK,NA	1	*	*	*	*	*	*	1	1	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	14.1	12.9	14.8	15.5	15.4	16.2	16.4	15.9	14.5	15.0	13.6	12.9	11.4
VARIANCE	160	136	162	156	146	175	164	165	160	163	123	130	118
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	1%	2%	1%	1%	*	1%	1%	3%	5%	2%	2%	5%	9%
GONE UP BY:													
1-2%	3	3	2	*	1	2	1	2	1	2	2	4	3
3-4%	4	6	5	4	1	4	2	3	5	3	3	5	5
5%	11	8	6	3	4	4	6	5	5	5	6	8	10
6-9%	25	28	24	14	11	8	9	8	12	11	11	11	13
10-14%	28	23	32	37	39	40	31	30	28	33	37	35	30
15% or more	22	20	25	34	36	36	44	41	35	34	31	25	22
DK how much up	6	10	5	6	8	5	6	8	9	9	8	7	8
DK,NA	*	*	*	1	*	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	11.7	11.8	13.1	15.0	15.1	15.5	15.9	15.4	14.5	14.8	14.0	12.2	11.4
VARIANCE	87	101	105	119	103	135	118	128	134	130	100	90	101

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 · RECENT CHANGES
MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

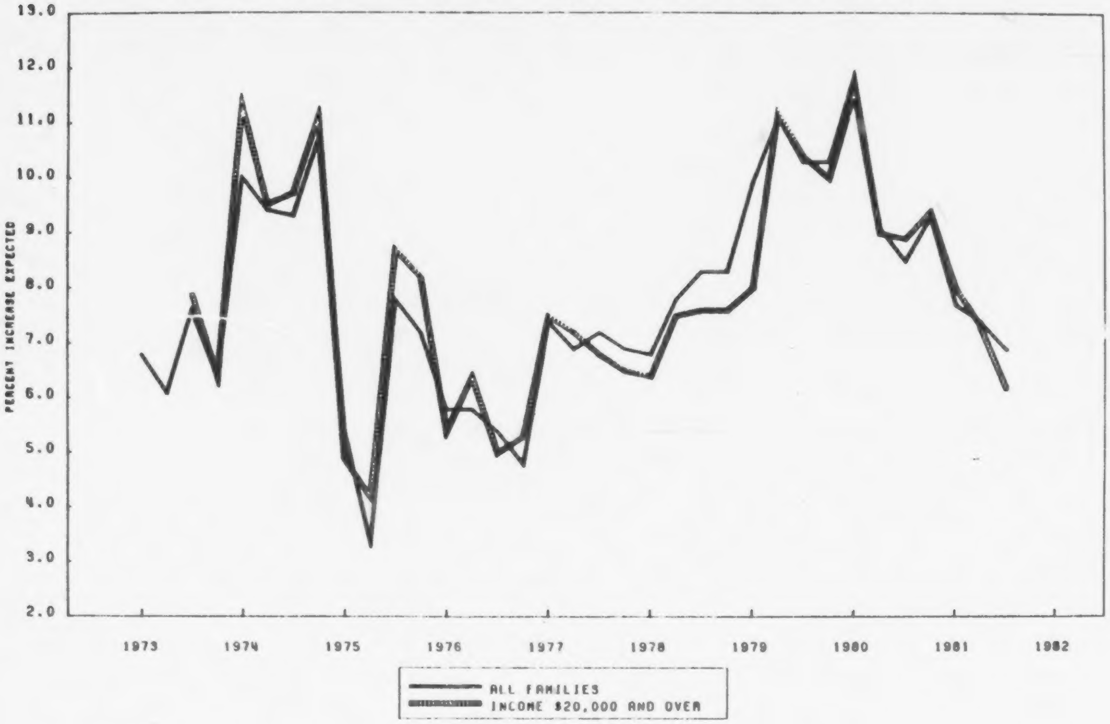


CHART 23 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

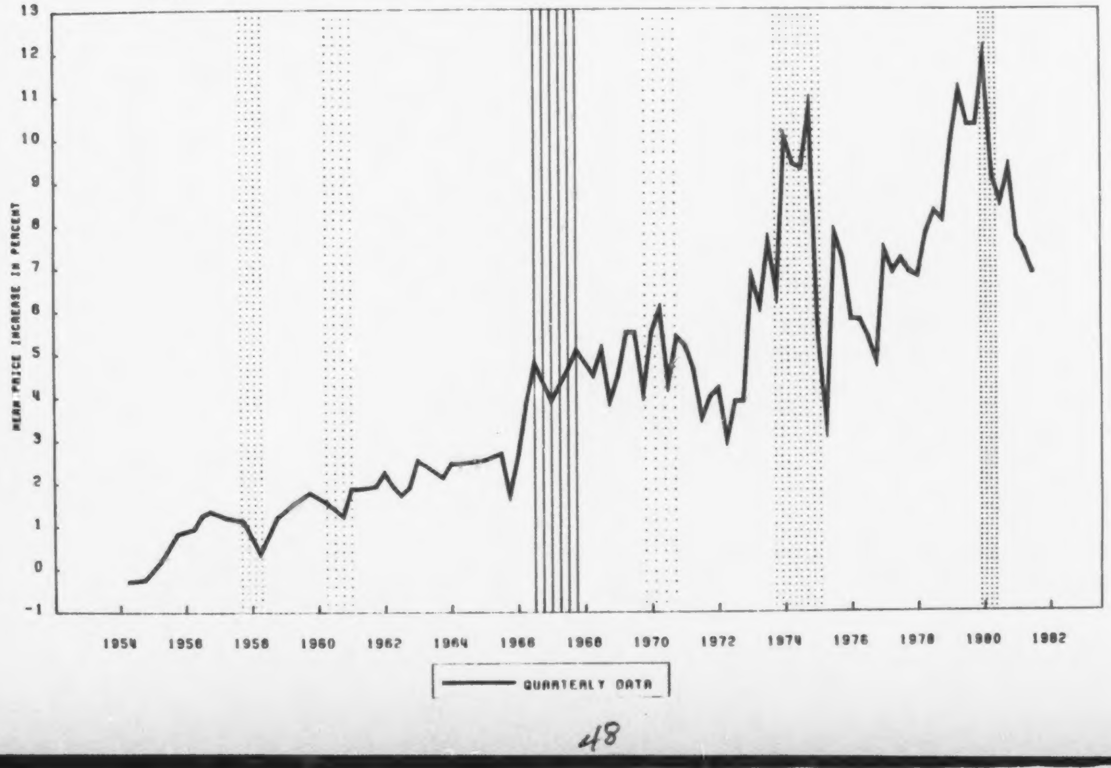


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
SAME OR DOWN	13%	10%	8%	8%	12%	13%	10%	26%	19%	21%	21%	28%	30%
WILL GO UP BY:													
1-2%	5	4	4	3	3	3	3	2	5	3	3	3	4
3-4%	8	7	7	6	6	5	4	4	6	5	8	7	7
5%	12	11	9	10	9	8	9	8	10	9	9	9	11
6-9%	17	20	20	14	13	14	11	9	11	11	12	11	12
10-14%	17	20	22	26	27	27	28	20	22	23	24	21	16
15% or more	10	7	13	19	18	16	24	19	13	16	10	12	11
DK how much up	16	19	16	12	11	12	9	10	12	10	11	7	8
DK,NA	2	2	1	2	1	2	2	2	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	8.3	8.1	9.9	11.1	10.3	10.3	11.9	9.1	8.5	9.3	7.7	7.4	6.9
VARIANCE	74	59	94	106	94	95	115	102	78	103	62	78	74
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
SAME OR DOWN	8%	6%	5%	4%	9%	11%	9%	23%	16%	16%	16%	25%	30%
WILL GO UP BY:													
1-2%	5	6	3	1	3	3	3	2	4	2	3	4	5
3-4%	8	8	5	6	4	5	3	5	8	5	7	7	7
5%	13	9	9	10	8	7	7	9	11	9	12	9	11
6-9%	28	31	32	17	16	16	10	11	13	14	15	15	15
10-14%	22	22	30	36	36	35	38	24	27	28	30	24	19
15% or more	7	7	9	19	18	16	25	20	15	16	9	11	9
DK how much up	8	10	7	6	6	7	5	5	5	9	7	5	4
DK,NA	1	1	*	1	*	*	*	1	1	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	7.6	8.0	9.1	11.2	10.5	9.9	11.6	9.0	8.9	9.4	8.0	7.3	6.2
VARIANCE	30	39	44	81	67	66	72	75	78	77	50	56	51

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

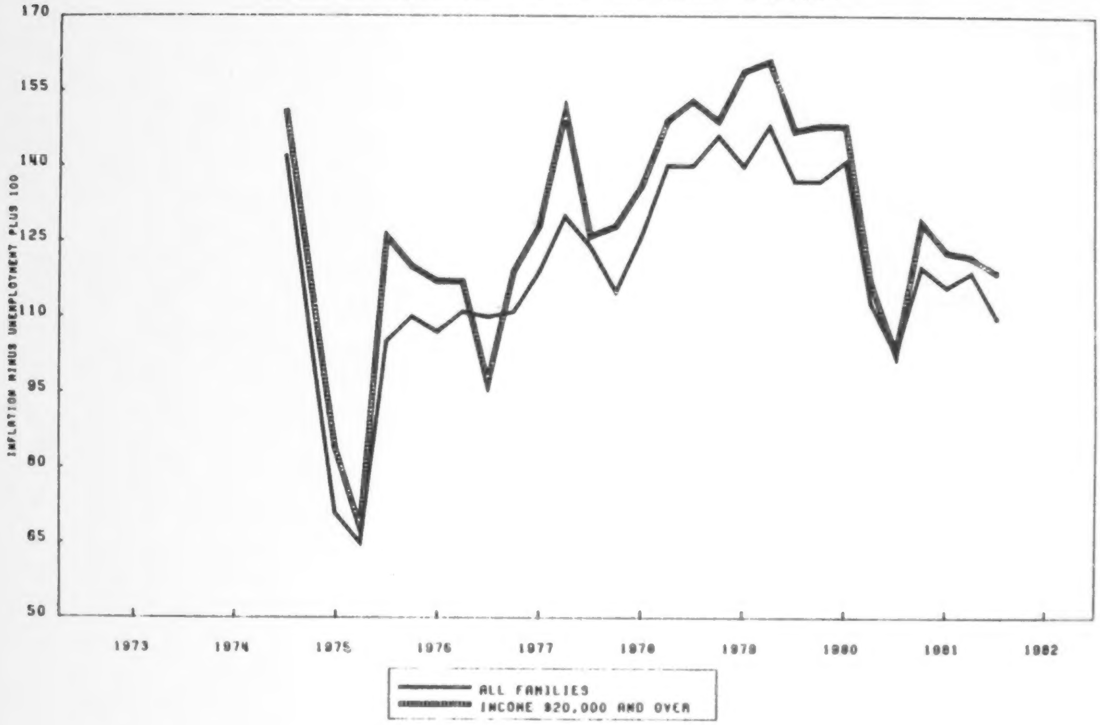


CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

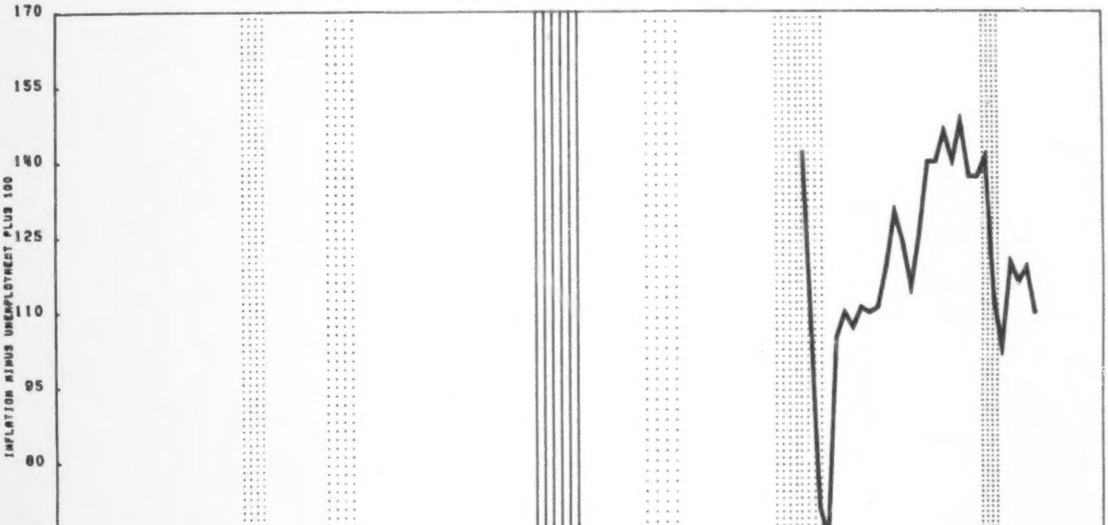


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
UNEMPLOYMENT	25%	21%	25%	21%	26%	26%	25%	36%	42%	34%	36%	34%	39%
BOTH EQUALLY SERIOUS	7	8	7	7	9	9	7	14	10	11	11	10	10
INFLATION	65	67	65	69	63	63	66	49	45	54	51	54	50
DK,NA	3	4	3	3	2	2	2	1	3	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
UNEMPLOYMENT	21%	21%	18%	17%	22%	23%	23%	35%	43%	33%	33%	35%	35%
BOTH EQUALLY SERIOUS	5	6	5	5	8	6	6	11	11	6	9	8	9
INFLATION	74	72	77	78	69	70	71	53	45	61	57	57	55
DK,NA	*	1	*	*	1	1	*	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

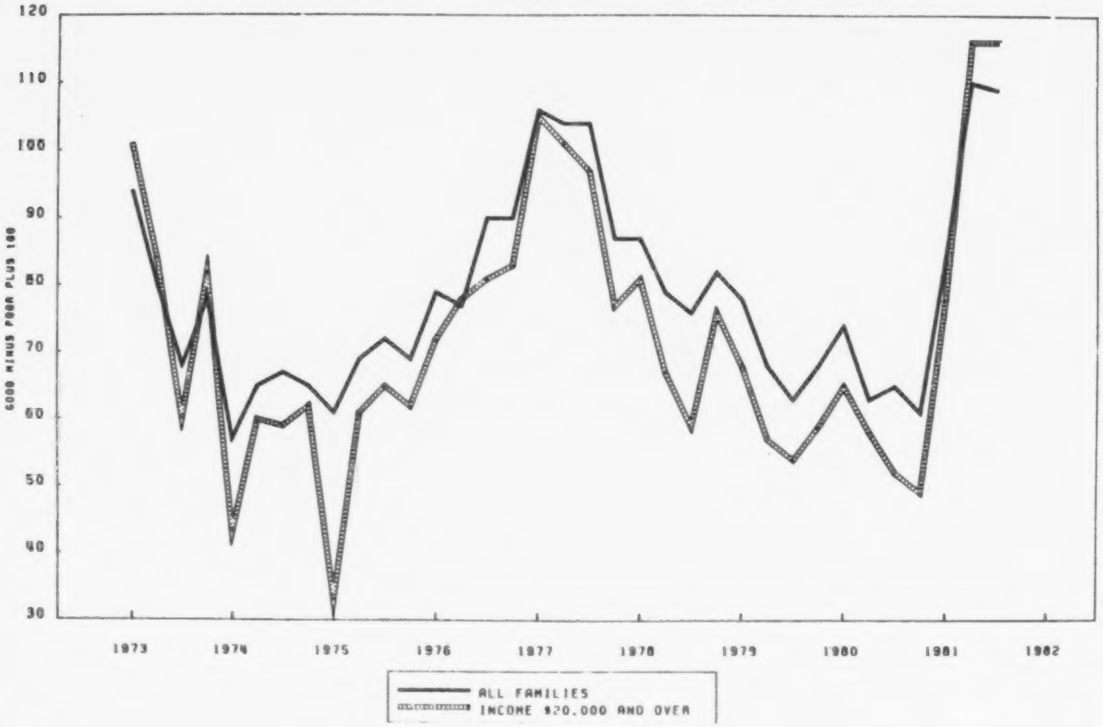


CHART 25 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

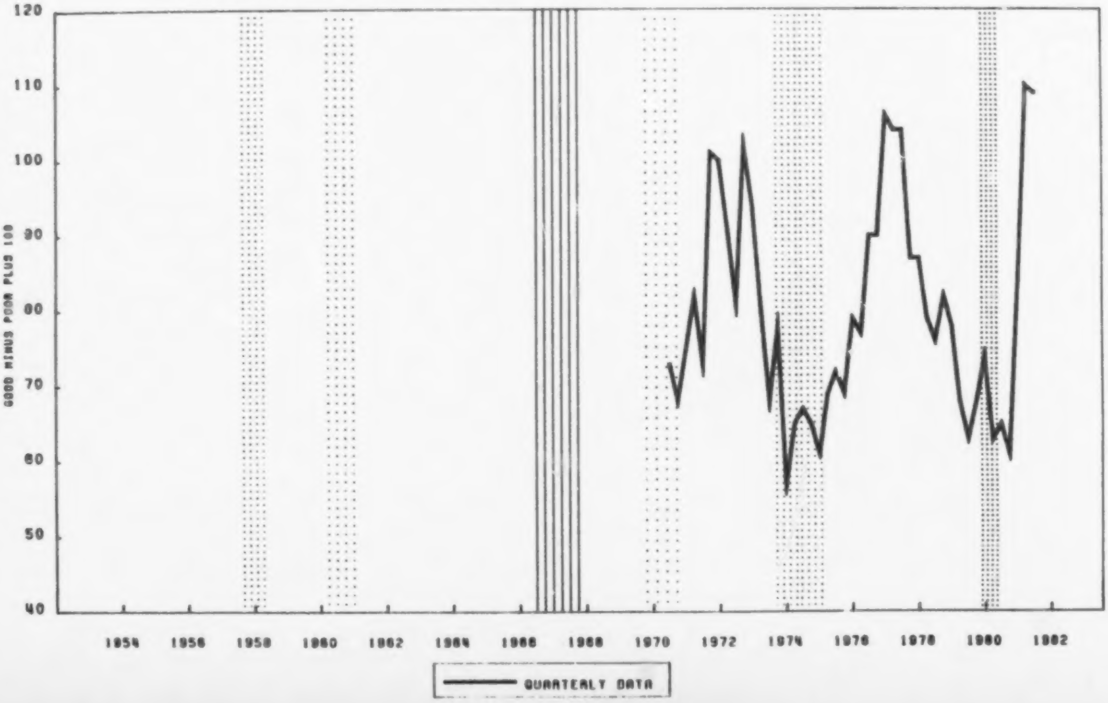


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
A GOOD JOB	10%	11%	10%	8%	7%	8%	10%	7%	9%	7%	17%	28%	30%
ONLY FAIR	53	55	53	48	47	47	50	45	44	44	42	50	45
A POOR JOB	34	29	32	40	43	41	36	44	44	46	33	18	21
DK,NA	3	5	5	4	3	4	4	4	3	3	8	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
A GOOD JOB	6%	9%	7%	5%	5%	6%	8%	6%	5%	4%	17%	33%	33%
ONLY FAIR	47	55	51	46	44	47	49	44	40	41	38	48	47
A POOR JOB	46	33	39	48	50	46	42	49	53	54	39	17	17
DK,NA	1	3	3	1	1	1	1	1	2	1	6	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

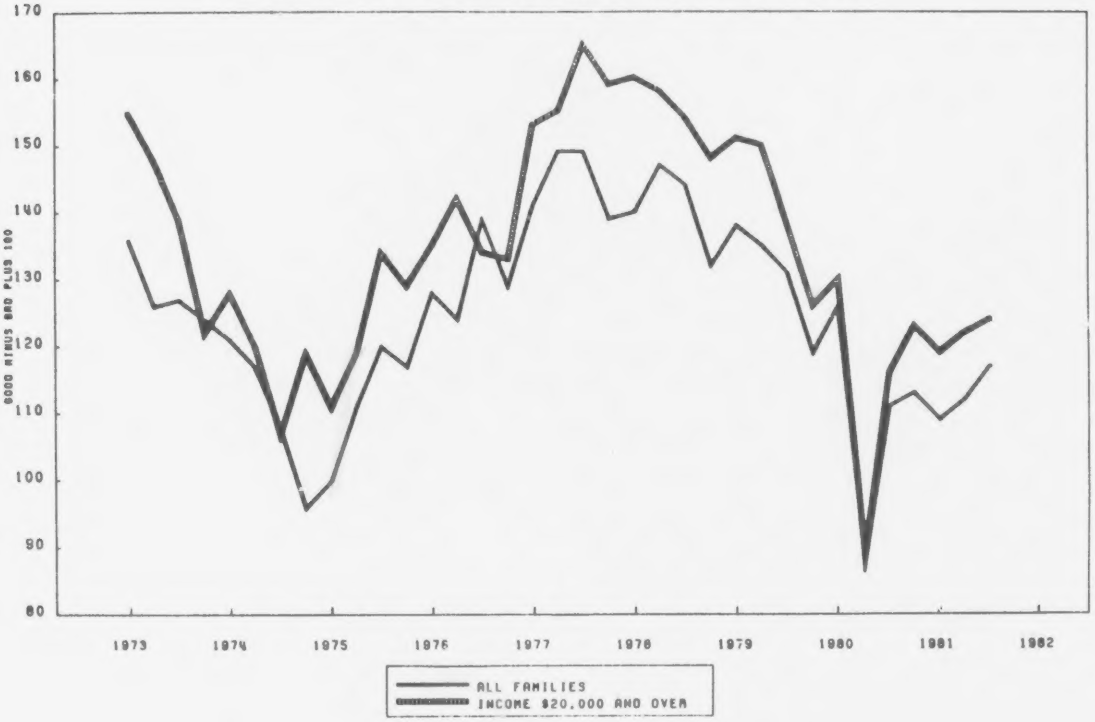


CHART 26 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

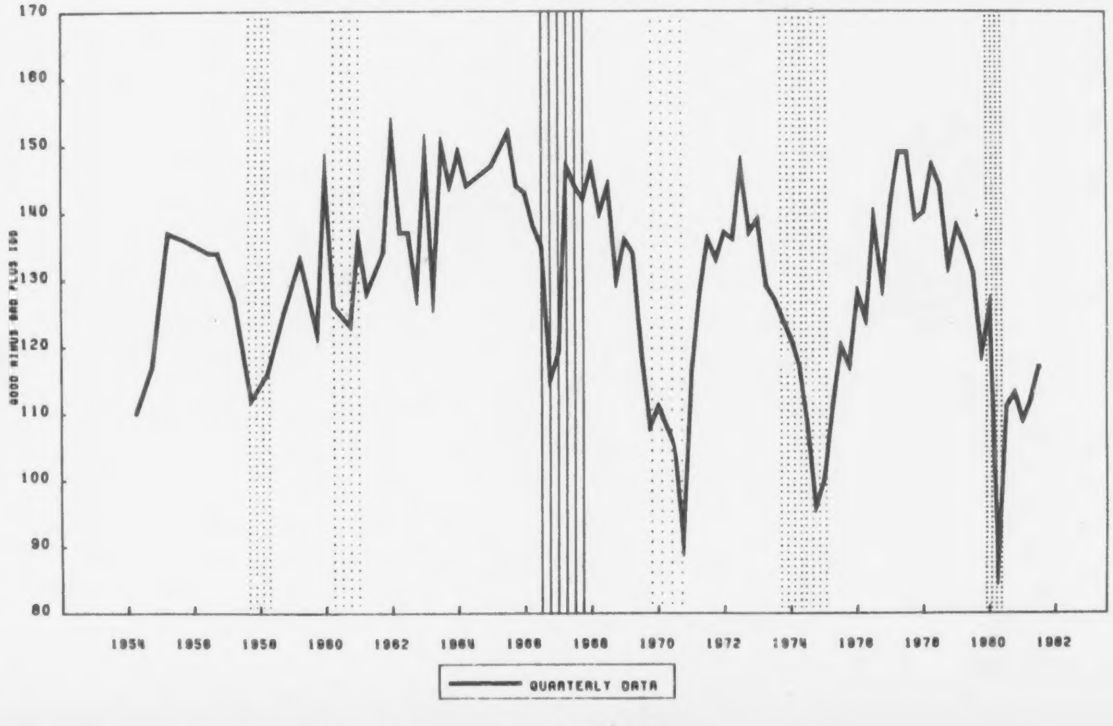


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	64%	57%	62%	62%	60%	54%	58%	39%	48%	50%	47%	49%	51%
UNCERTAIN, DEPENDS	16	18	14	11	11	10	10	10	16	13	15	14	15
BAD TIME TO BUY	20	25	24	27	29	36	32	51	36	37	38	37	34
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	70%	66%	71%	70%	63%	58%	61%	40%	51%	54%	52%	53%	55%
UNCERTAIN, DEPENDS	13	16	10	10	11	10	8	9	14	14	15	15	14
BAD TIME TO BUY	17	18	19	20	26	32	31	51	35	32	33	32	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

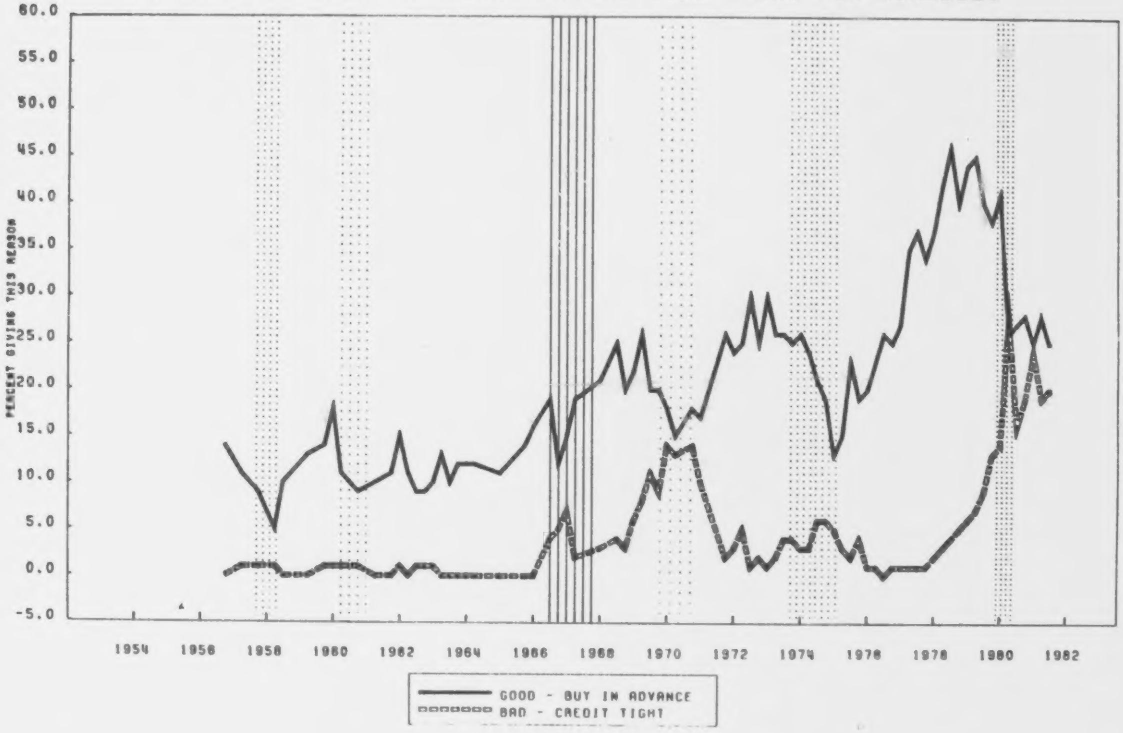


CHART 27B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

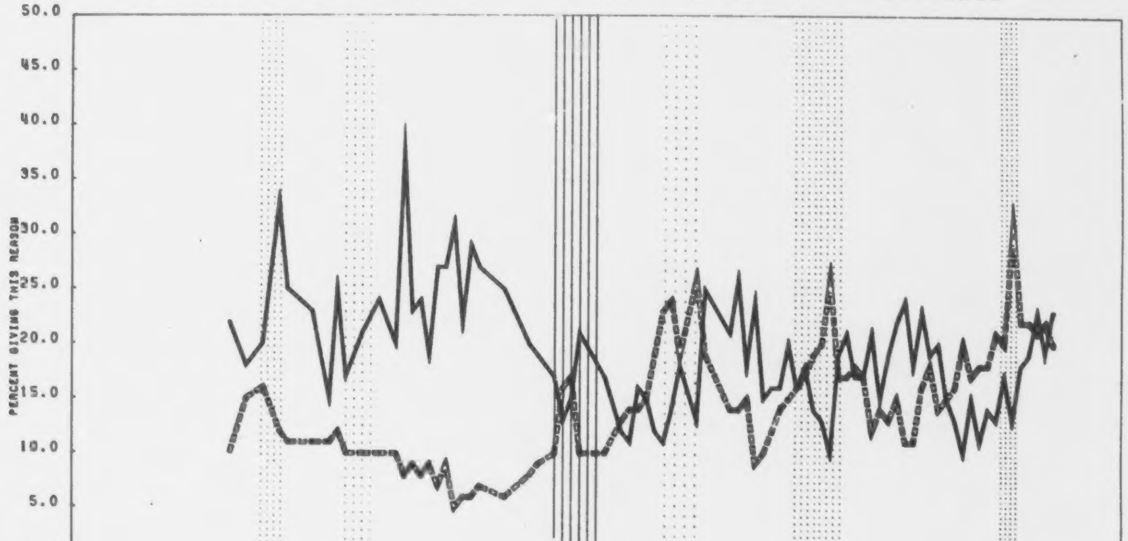


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	13%	10%	15%	11%	14%	13%	17%	13%	18%	19%	23%	19%	23%
Prices won't come down; are going higher	46	40	44	45	40	38	41	26	27	28	25	28	25
Interest rates low; credit is easy	3	2	3	3	2	3	4	3	4	3	2	2	2
BAD TIME TO BUY:													
Prices are high	16	20	17	18	18	21	20	31	22	22	21	22	20
Interest rates are high; credit is tight	4	5	6	7	9	13	14	28	16	19	24	19	20
Lack of purchasing power	4	4	6	9	10	13	13	15	15	11	13	11	8
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	14%	10%	15%	12%	16%	15%	20%	15%	20%	23%	25%	23%	26%
Prices won't come down; are going higher	53	50	51	55	45	40	44	26	30	30	31	30	27
Interest rates low; credit is easy	4	3	4	4	3	4	3	3	5	4	3	3	3
BAD TIME TO BUY:													
Prices are high	13	17	12	13	16	21	16	27	20	16	18	16	18
Interest rates are high; credit is tight	4	4	7	7	9	15	17	33	16	24	27	23	24
Lack of purchasing power	3	3	6	8	9	10	11	15	15	8	10	8	9

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

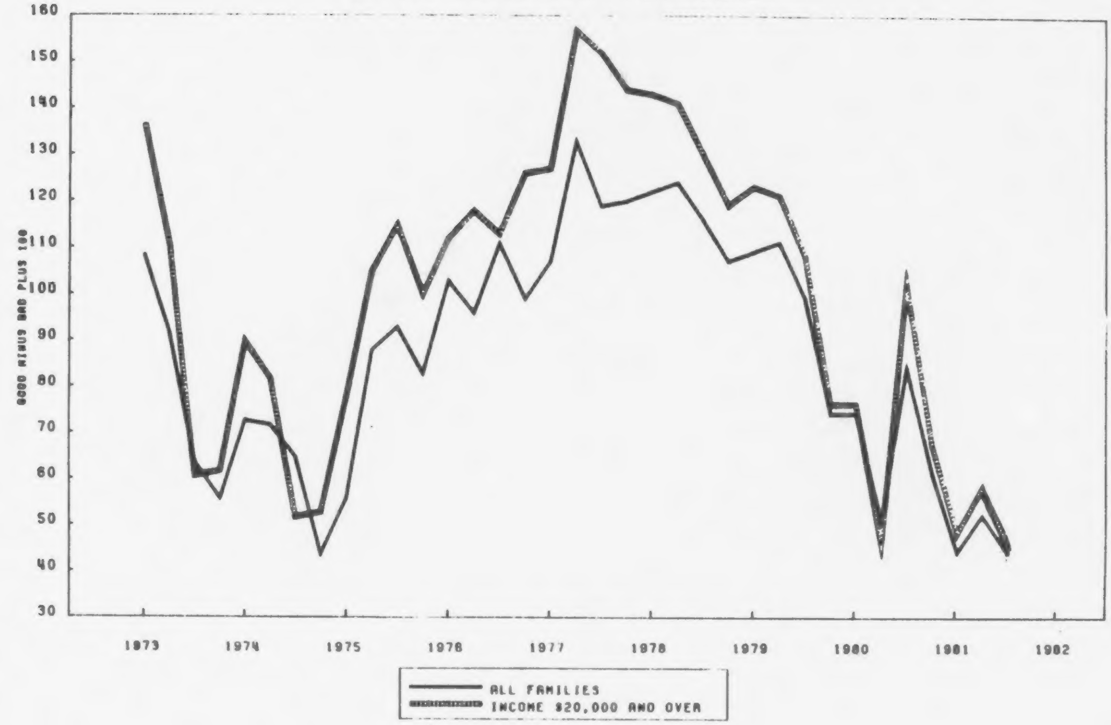


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

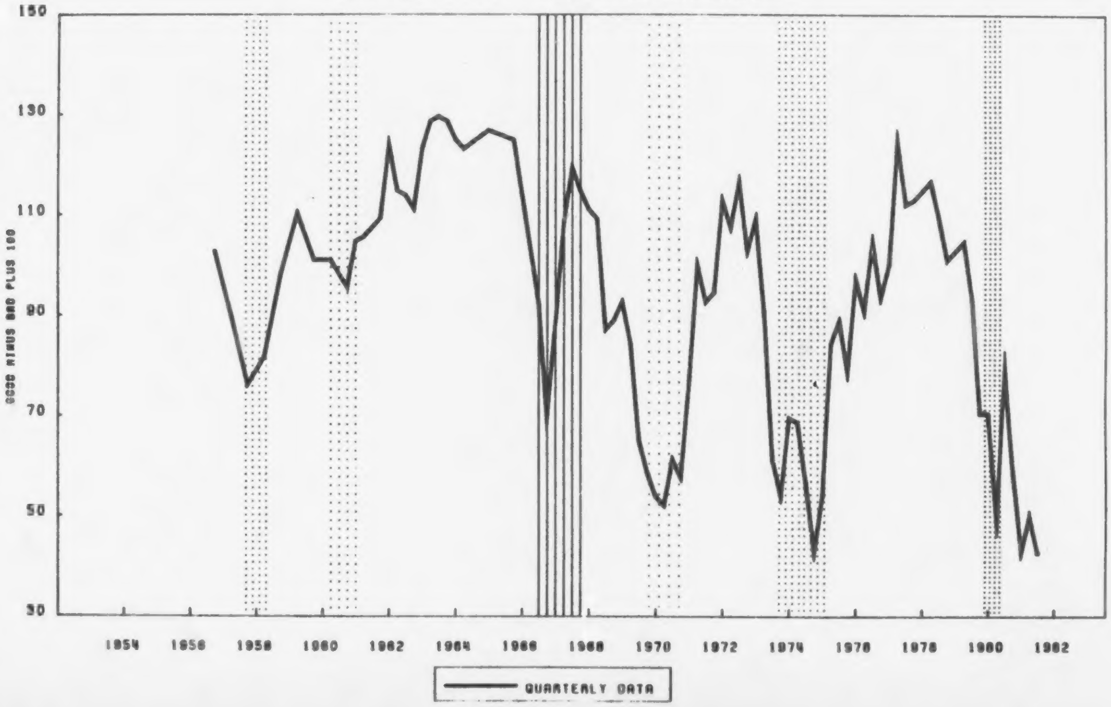


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	53%	48%	50%	52%	47%	34%	35%	22%	39%	28%	20%	23%	19%
UNCERTAIN, DEPENDS	10	11	9	7	5	6	5	7	6	5	4	6	7
BAD TIME TO BUY	37	41	41	41	48	60	60	71	55	67	76	71	74
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	61%	55%	58%	58%	51%	35%	36%	20%	48%	30%	21%	27%	19%
UNCERTAIN, DEPENDS	8	9	7	5	5	6	4	6	6	6	5	4	6
BAD TIME TO BUY	31	36	35	37	44	59	60	74	46	64	74	69	75
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

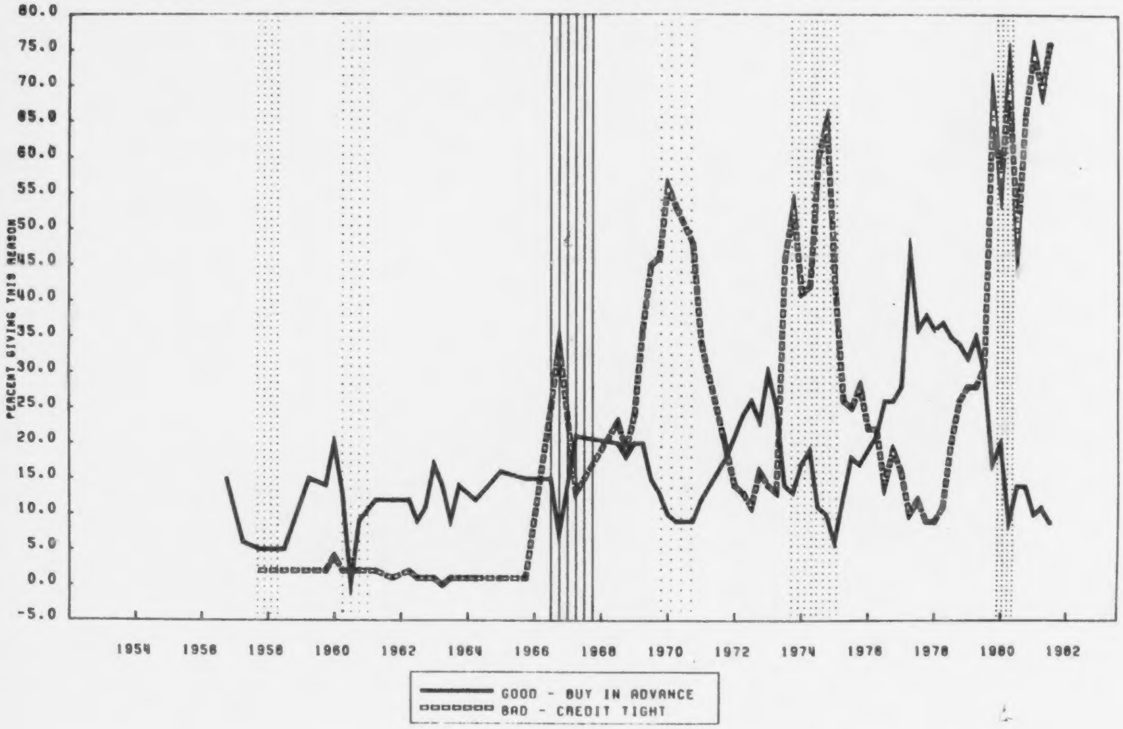


CHART 29B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

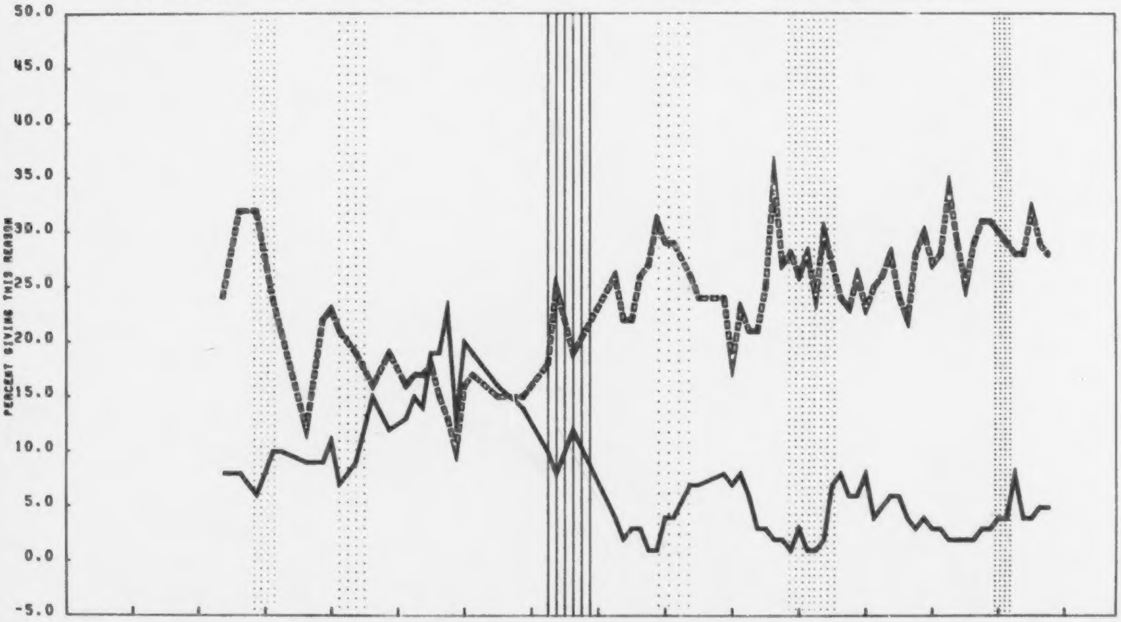


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	2%	2%	2%	2%	3%	3%	4%	4%	8%	4%	4%	5%	5%
Prices won´t come down; are going higher	35	34	32	35	30	17	20	9	14	14	10	11	9
Interest rates low; credit is easy	9	9	11	12	10	8	9	8	24	11	5	7	7
Good investment	14	9	12	14	12	8	12	7	8	7	8	7	5
BAD TIME TO BUY:													
Prices are high	34	29	25	29	31	31	30	29	28	28	32	29	28
Interest rates are high; credit is tight	20	26	28	28	31	68	56	72	48	66	75	69	76
Lack of purchasing power	3	6	6	9	9	9	8	9	13	12	12	12	13
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	2%	5%	4%	2%	3%	4%	5%	7%	13%	7%	7%	6%	6%
Prices won´t come down; are going higher	46	37	37	40	33	16	20	8	16	13	11	14	11
Interest rates low; credit is easy	14	11	16	18	13	10	10	9	32	13	7	8	8
Good investment	16	10	11	17	15	10	14	7	10	9	8	8	6
BAD TIME TO BUY:													
Prices are high	22	25	18	23	27	28	28	28	25	24	30	26	24
Interest rates are high; credit is tight	26	34	35	31	38	75	63	80	45	74	82	74	86
Lack of purchasing power	3	4	3	5	8	7	7	8	9	8	9	8	10

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

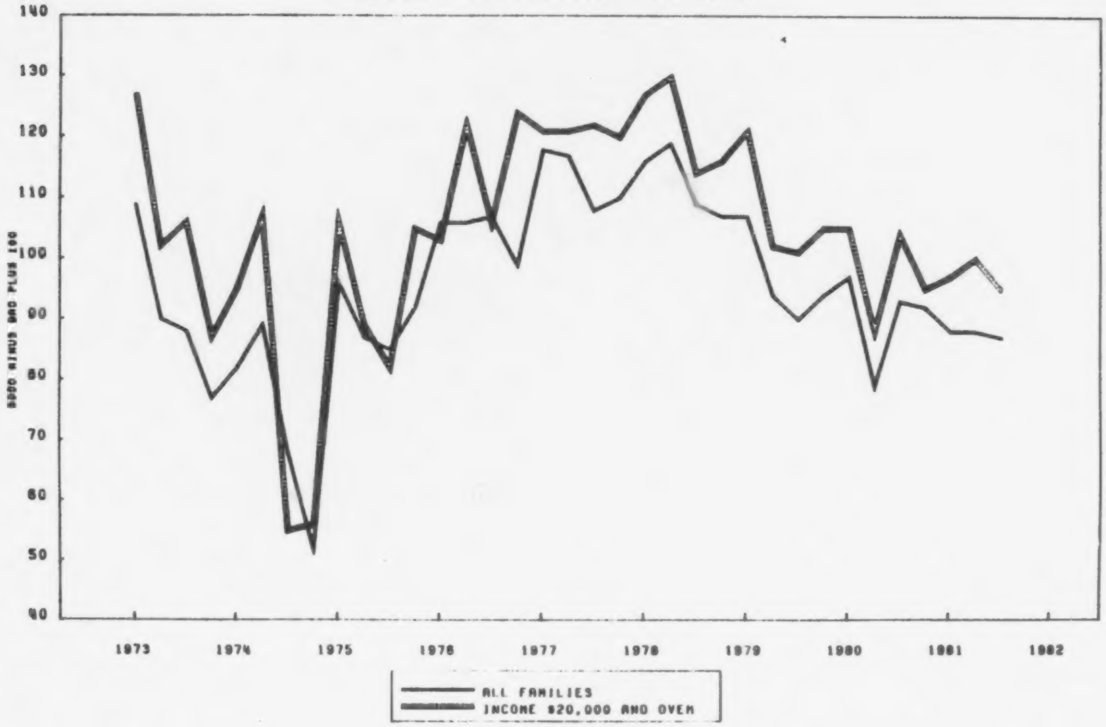


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

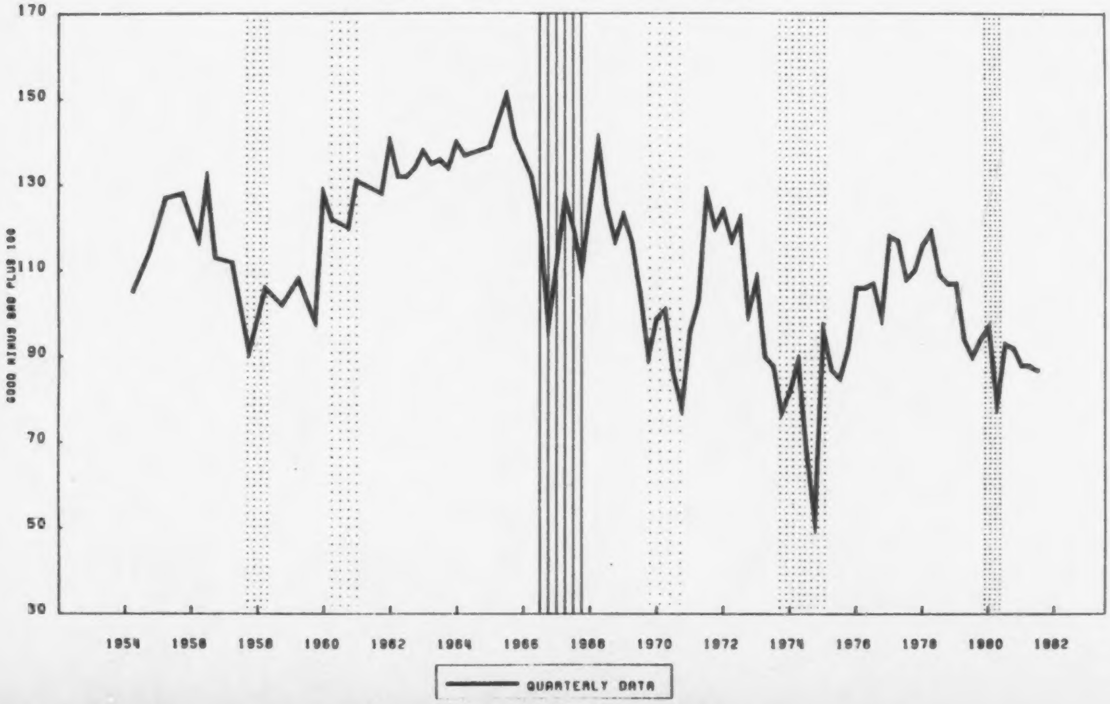


TABLE 30

BUYING CONDITIONS FOR CARS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY	46%	44%	46%	41%	38%	42%	44%	34%	40%	40%	38%	39%	39%
UNCERTAIN; DEPENDS	17	19	15	12	14	10	9	11	13	13	12	9	9
BAD TIME TO BUY	37	37	39	47	48	48	47	55	47	47	50	52	52
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY	50%	50%	55%	45%	44%	49%	48%	39%	45%	42%	43%	47%	44%
UNCERTAIN; DEPENDS	14	17	11	12	14	7	9	10	13	11	10	6	7
BAD TIME TO BUY	36	33	34	43	42	44	43	51	42	47	47	47	49
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

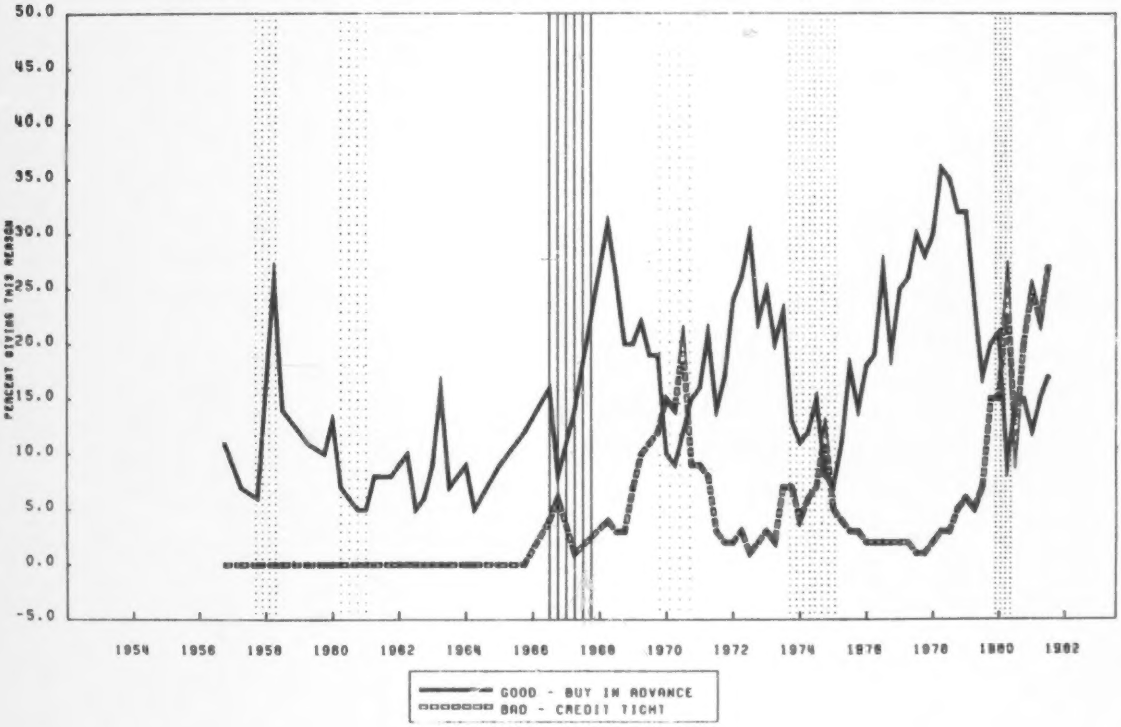


CHART 31B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

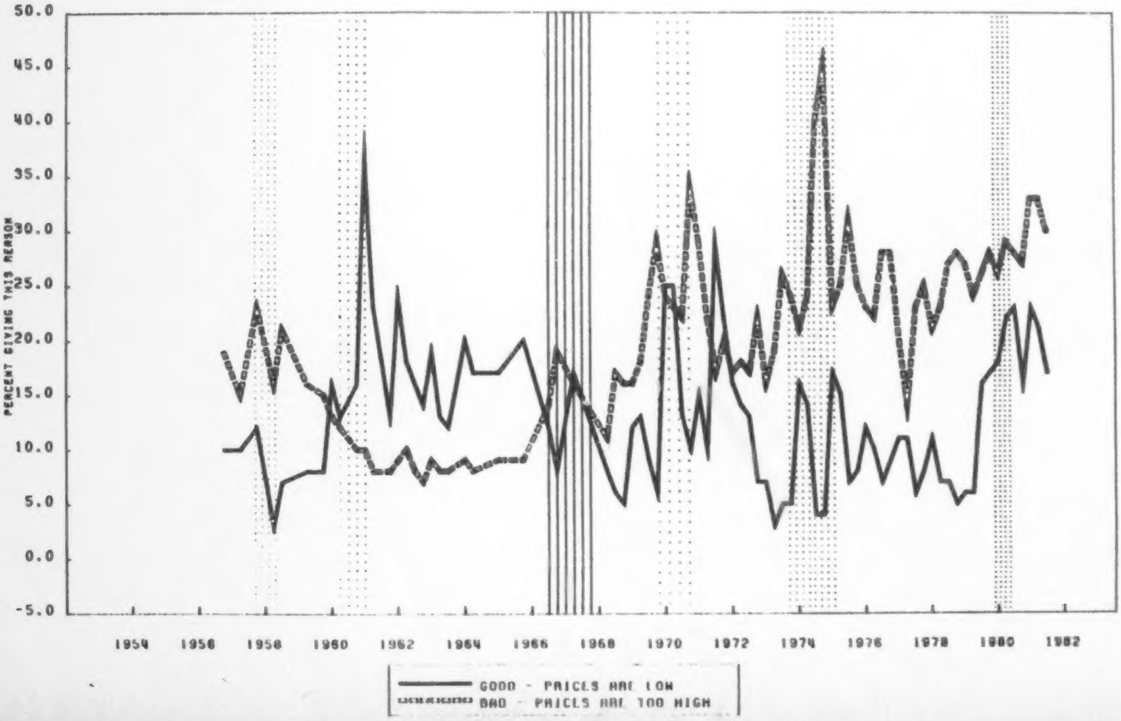


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	5%	6%	6%	16%	17%	18%	22%	23%	16%	23%	21%	17%
Prices won´t come down; are going higher	35	32	32	24	17	20	21	9	15	15	12	15	17
Interest rates low; credit is easy	2	2	2	2	1	2	3	3	4	3	3	3	5
New fuel efficient models	2	2	4	13	10	9	12	8	6	8	5	5	4
BAD TIME TO BUY:													
Prices are high	27	28	27	24	26	28	26	29	28	27	33	33	30
Interest rates are high; credit is tight	3	5	6	5	7	15	15	25	11	20	25	22	27
Lack of purchasing power	3	3	3	5	6	6	6	6	8	8	8	7	6
Price of gas; shortages	1	2	7	22	19	12	16	13	5	4	6	3	3
Poor selection; quality	11	9	9	11	11	9	10	8	12	12	9	9	9
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
GOOD TIME TO BUY:													
Prices are low; good buys available	7%	6%	6%	7%	21%	22%	24%	30%	28%	18%	32%	28%	20%
Prices won´t come down; are going higher	38	37	40	28	17	22	22	9	17	17	14	18	18
Interest rates low; credit is easy	2	2	3	2	1	3	3	2	6	4	4	4	7
New fuel efficient models	3	2	5	14	13	9	13	8	7	7	5	5	5
BAD TIME TO BUY:													
Prices are high	24	23	20	22	23	23	24	25	25	26	27	28	30
Interest rates are high; credit is tight	4	5	7	5	6	18	15	28	10	22	31	24	28
Lack of purchasing power	2	3	2	5	3	5	4	6	8	5	6	3	3
Price of gas; shortages	1	3	7	22	17	10	13	9	4	3	2	3	2
Poor selection; quality	12	9	10	13	11	10	12	10	15	17	10	11	12

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
PROBABLY WILL BUY	21%	21%	18%	17%	14%	16%	20%	14%	16%	15%	15%	16%	17%
CHANCES ARE EVEN	6	6	9	6	7	6	8	7	6	6	7	8	6
PROBABLY WILL NOT BUY	63	65	61	66	69	68	62	68	66	67	65	65	63
DK,NA	10	8	12	11	10	10	10	11	12	12	13	11	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROBABLY WILL BUY	33%	30%	30%	26%	21%	19%	30%	18%	22%	23%	22%	22%	23%
CHANCES ARE EVEN	7	7	10	8	10	9	9	11	8	7	9	9	8
PROBABLY WILL NOT BUY	57	62	59	64	67	68	59	69	66	68	67	67	67
DK,NA	3	1	1	2	2	4	2	2	4	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Jul- Sept 1978	Oct- Dec. 1978	Jan- Mar. 1979	Apr- June 1979	Jul- Sept 1979	Oct- Dec. 1979	Jan- Mar. 1980	Apr- June 1980	Jul- Sept 1980	Oct- Dec. 1980	Jan- Mar. 1981	Apr- June 1981	Jul- Sept 1981
A. ALL FAMILIES													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	27%	27%	27%	23%	21%	22%	28%	21%	22%	21%	22%	24%	23%
PURCHASE TYPE:													
Buy new	11	14	11	12	11	9	14	9	9	10	10	10	10
Buy used	11	11	15	10	9	11	12	9	11	8	9	11	10
Lease	3	1	1	1	1	1	1	1	1	1	1	1	2
DK,NA	2	1	*	*	*	1	1	2	1	2	2	2	1
PURCHASE TIMING:													
Next 3 months	5	2	3	4	3	4	2	3	3	3	2	4	4
Next 4-6 months	6	4	7	7	4	4	7	6	5	3	5	7	6
Next 7-9 months	4	5	6	4	4	5	7	5	3	6	6	6	3
10 months or more	5	6	6	3	4	5	6	3	4	4	4	3	5
DK,NA	7	10	5	5	6	4	6	4	7	5	5	4	5
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	40%	37%	40%	34%	31%	28%	39%	29%	30%	30%	31%	31%	31%
PURCHASE TYPE:													
Buy new	21	23	22	21	18	15	23	16	16	16	17	17	16
Buy used	10	11	14	11	11	10	12	9	11	11	8	11	12
Lease	7	2	3	1	1	2	3	2	1	2	3	2	2
DK,NA	2	1	1	1	1	1	1	2	2	1	3	1	1
PURCHASE TIMING:													
Next 3 months	7	3	4	6	6	5	3	4	5	4	4	4	5
Next 4-6 months	10	7	10	11	7	5	12	7	7	6	7	9	7
Next 7-9 months	9	7	11	7	5	8	9	8	6	7	8	10	6
10 months or more	7	9	9	5	8	6	8	4	4	6	6	4	7
DK,NA	7	11	6	5	5	4	7	6	8	7	6	4	6

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

	Jul-Sept 1978	Oct-Dec. 1978	Jan-Mar. 1979	Apr-June 1979	Jul-Sept 1979	Oct-Dec. 1979	Jan-Mar. 1980	Apr-June 1980	Jul-Sept 1980	Oct-Dec. 1980	Jan-Mar. 1981	Apr-June 1981	Jul-Sept 1981
A. ALL FAMILIES													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	63%	65%	61%	66%	69%	68%	62%	68%	66%	67%	65%	65%	63%
PURCHASE TYPE:													
Would buy new	37	36	34	38	39	41	36	39	38	40	34	38	34
Would buy used	23	25	24	26	28	25	24	26	26	24	28	25	27
DK,NA	3	4	3	2	2	2	2	3	2	3	3	2	2
PURCHASE TIMING:													
Less than 2 years	4	6	5	5	7	7	7	7	5	6	5	7	5
2 years	19	19	17	20	20	18	21	17	20	21	21	20	20
3 years	10	12	9	11	11	11	7	11	10	13	10	10	10
4 years or more	17	16	15	16	17	19	17	20	20	16	18	19	19
Indefinite	7	3	7	6	6	6	3	4	4	4	4	4	3
DK,NA	6	9	8	8	8	7	7	9	7	7	7	5	6
B. FAMILIES WITH INCOMES OF $20,000 AND OVER													
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	57%	62%	59%	64%	67%	68%	59%	69%	66%	68%	67%	67%	67%
PURCHASE TYPE:													
Would buy new	41	40	38	43	44	47	39	47	48	49	44	44	43
Would buy used	14	20	18	20	21	20	19	20	17	17	21	21	24
DK,NA	2	2	3	1	2	1	1	2	1	2	2	2	*
PURCHASE TIMING:													
Less than 2 years	7	8	9	7	8	10	8	8	6	7	7	7	7
2 years	25	24	24	26	25	25	24	23	24	26	22	24	23
3 years	10	12	12	12	11	11	6	12	13	13	11	11	14
4 years or more	13	11	10	13	17	17	15	20	18	16	20	20	19
Indefinite	2	1	2	2	1	2	1	2	2	2	3	2	2
DK,NA	*	6	2	4	5	3	5	4	3	4	4	3	2

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

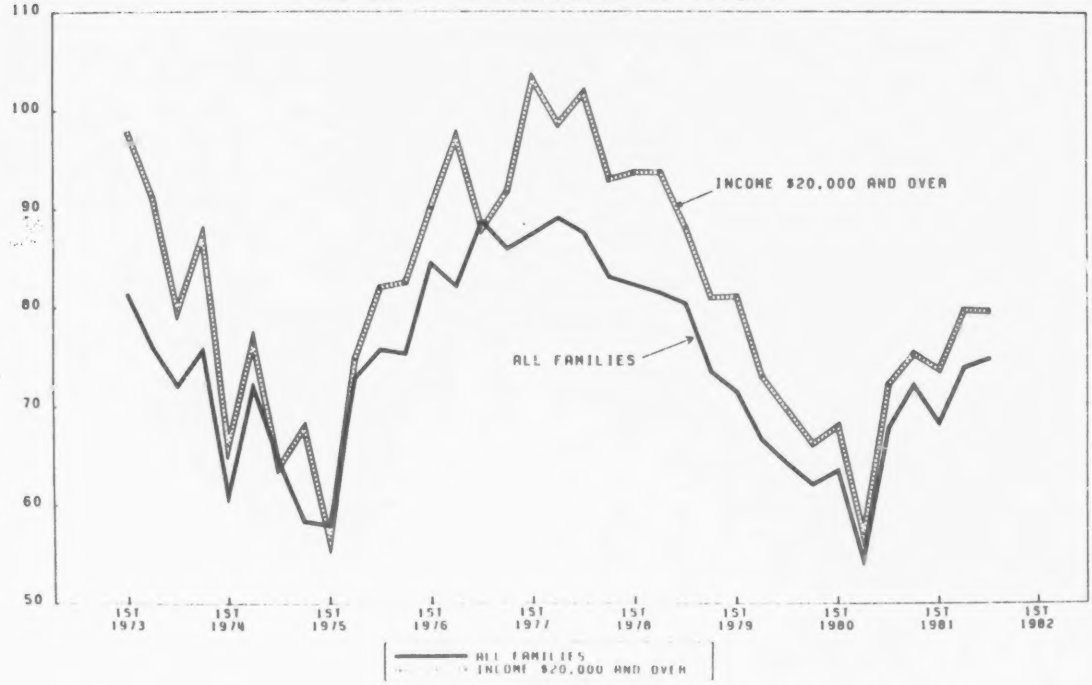
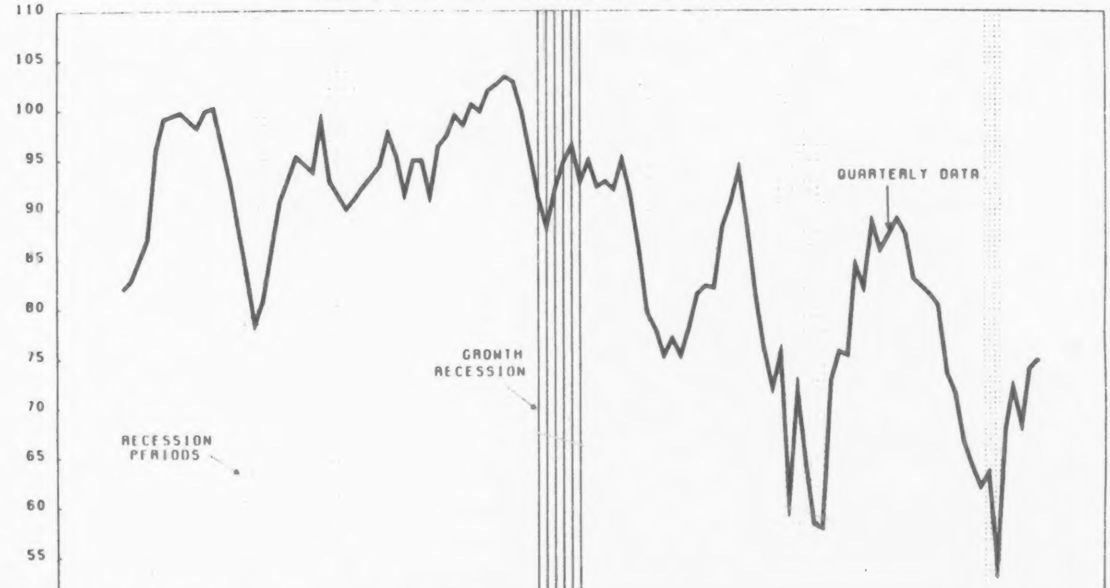


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

INCOME $20,000 AND OVER: Quarterly data for the subsample of respondents with family incomes of $20,000 or more per year.

QUARTERLY DATA: Data collected by surveys conducted at three month intervals (quarterly) before 1978, and collected by three monthly surveys per quarter from 1978 to the present.

TIME SCALE LABELS

Each tic mark on the time scales represents the first quarter of the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES

RECESSION PERIOD: Reduction in the national output of goods and services (generally lasting at least two quarters).

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980

GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

DATE: June 1966 - November 1967

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

U7475-1

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

Third Quarter Survey
July-September 1981

October 13, 1981

OPTIMISM STALLED BY HIGH INTEREST RATES

Page

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Personal Finances. 2

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Summary Outlook. 11

ATTACHMENTS:

July-September 1981 Tables and Charts

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106 • (313) 763-5224

Highlights

** In the July-September 1981 surveys, the Index of Consumer Sentiment was 74.8, less than a one Index point gain from the second quarter figure of 73.9, and seven Index points above the year-earlier reading. Following a rapid recovery from the second quarter 1980 low of 54.4, the ICS rose to 72.1 by the fourth quarter of 1980, and since then has ramained at that same level.

** Among families with incomes of $25,000 and over, the Index figure declined from 82.0 in the second quarter to 80.1 in the third quarter 1981 surveys, but remained 6.8 Index points above year-earlier readings.

** During the past year, the proportion that reported a worsening economy fell from 77 percent to 51 percent in the third quarter surveys. Following substantial improvements during 1980, the outlook for business conditions has remained largely unchanged since late 1980. Favorable references to Reagan's economic policies continue to underpin favorable business expectations.

** Among all families, 36 percent expected good times in the economy as a whole in the next 12 months, down from 39 percent in the second quarter surveys, but above the 26 percent recorded one year earlier. The majority of respondents continue to expect bad times financially in the year ahead, with 52 percent reporting this view in 1980:3, up from 51 percent in 1980:2.

** On balance, interest rates were expected to increase by 36 percent of all respondents in the third quarter 1981 surveys, similar to the year-earlier reading. Since the start of 1981, the proportion that expected interest rates to decline fell from 41 to 28 percent, while the proportion that expected interest rates to remain at their same high level rose from 23 to 32 percent.

** In the third quarter 1981 surveys consumers expected the rate of inflation to average 6.9% during the year ahead, down from 7.4 in the second quarter, and 8.5% in the third quarter 1980 surveys. During the past year and a half, price expectations fell 5 percentage points, from 11.9% to 6.9%.

** Among all families, 30 percent rated government economic policy as favorable in the third quarter 1981 surveys, up from 28 percent in the second quarter, and 17 percent in the first quarter 1981. Among high-income families, the recent improvements in confidence in government policy have stalled, with both the second and third quarter 1981 surveys yielding identical readings.

** Attitudes toward buying conditions for houses again neared record low levels in the third quarter 1981 surveys. Among all families, just 19 percent reported favorable buying conditions for houses, down from 39 percent one year earlier. The overwhelming reason given by consumers for these negative views was high interest rates and tight credit conditions, mentioned by 76 percent of all families.

* * *

The third quarter 1981 surveys indicate that consumer attitudes and expectations have followed a divergent course during the past year. Lowered price expectations, a more optimistic outlook for the economy as a whole, and increased confidence in government economic policy stand in sharp contrast to widespread unfavorable buying attitudes, due to heightened concerns about high interest rates.

Improvement Stalls

In the July-September 1981 surveys, the Index of Consumer Sentiment was 74.8, less than a one Index point gain from the second quarter figure of 73.9, and 7 Index points above the year earlier reading. Following a rapid recovery from the second quarter 1980 low of 54.4, the ICS rose to 72.1 by the fourth quarter of 1980, and has since remained at about that level.

Among families with incomes of $25,000 and over, the Index figure declined from 82.0 from the second quarter to 80.1 in the third quarter 1981 surveys, but remained 6.8 Index points above the year-earlier reading.

The recent decline in optimism was concentrated among residents in the North Central region (the Index declined from 74.4 to 70.7 from the second to third quarter 1981 surveys). In contrast, residents of each of the other major geographic regions posted a one to four Index point improvement. Compared with last year, respondents under age 35 posted the greatest improvement in sentiment (11 Index points), while respondents aged 55 or older posted the smallest improvement during the past year (3.5 Index points).

Personal Finances

Evaluations of personal finances improved somewhat during the past year, with the proportion reporting improved personal finances rising to 33 percent in the third quarter 1981 surveys, up from 28 percent in the second quarter 1981, and 31 percent in the third quarter 1980. Unfavorable evaluations fell to 35 percent among all families in the third quarter 1981 surveys, down from 40 percent one year earlier. This moderate improvement was not shared across all income groups, however. Among families with incomes of $20,000 or more, the proportion that rated their family finances as improved fell from 38 to 36 during the past year, while the proportion that stated their finances had worsened rose from 32 to 36 percent. When asked to explain how their financial situation had changed, the proportion of high income families that mentioned receiving income increases declined during the past year, coupled with a decline of only one percentage point in those mentioning higher prices. In contrast, among all families the percent mentioning higher prices fell from 37 to 30 percent in the past year.

Although a somewhat greater number of families in the third quarter 1981 surveys reported their financial situation had worsened rather than improved during the past year, almost twice as many families expected improvement rather than deterioration in the year ahead (31 versus 17 percent). Following rapid improvement from late 1979 into early 1980, the expectation of further improvement in personal finances has remained largely unchanged during the past year. Among families with incomes of $20,000 and over, the proportion that expected to be better off financially was 35 percent in both the third quarter 1980 and third quarter 1981 surveys, while the proportion that expected worsening finances fell insignificantly from 16 to 15 percent.

The maintenance of favorable personal financial expectations was due in large part to favorable nominal income expectations, coupled with declines in expected inflation rates. In the third quarter 1981 surveys, 30 percent of all families (37 percent among high income families) expected annual income increases of 10% or more, down somewhat from the 32 percent recorded in the second quarter 1981 surveys, but above the 25 percent recorded a year earlier. It should be noted, however, that while there have been increases during the past year in the proportion of families that expected large income increases (10% or more); the proportion of families that expected no increase or income declines has also increased.

Inflation Moderates

The third quarter 1981 surveys continued to document declines in both the current and expected rate of inflation. Among all families, the average reported increase in the prices of the things bought during the prior year was 11.4% in the third quarter 1981, down from 14.5% reported in the third quarter of 1980. Consumers expected the rate of inflation to average 6.9% during the year ahead in the third quarter 1981 surveys, down from 7.4% in the second quarter, and 8.5% a year earlier. Since the peak expected inflation rate of 11.9% was recorded in the first quarter of 1980, the expected rate of inflation has declined a total of 5 percentage points.

Since early 1980, when expected inflation rates for the short term (11.9%) exceeded long term price expectations (10.5%), the decline in short term price expectations has been somewhat greater than in long term price expectations (see Table A below). By the third quarter of 1981, consumers expected an average inflation rate of 7.3% over the longer term, unchanged from the first quarter 1981 reading. While most of the decline in long term price expectations was recorded in 1980, significant short term price declines

TABLE A

SHORT AND LONG-TERM PRICE EXPECTATIONS

Expected Annual Increase in Prices During Next...	1980:1	1980:3	1981:1	1981:3
One year	11.9%	8.5%	7.7%	6.9%
5-10 years	10.5	9.0	7.2	7.3

The questions asked were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" "By about what percent do you expect prices to go (up/down) on the average, during the next 12 months?"

"What about the outlook for prices over the next 5 to 10 years? Do you think prices will be higher, about the same, or lower, 5 to 10 years from now?" "About what percent per year do you think prices will go (up/down) on the average during the next 5 to 10 years?"

were recorded in early 1981. Since short term price expectations have fallen below the average rates expected over the longer term, these data indicate that the lower short term inflation rate is expected to be temporary.

Shifting Reactions to Inflation

During the past decade, the appeal of savings and the distaste for debt has been significantly influenced by the inflationary environment. When respondents were asked about their readiness to draw on savings or incur new debt in order to make a major purchase, an increased reluctance to use savings or incur new debt was recorded in the August 1981 survey (see Table B). Among all families, the proportion that reported a willingness to use savings fell from 35 percent in 1979 to 29 percent in 1981. The increased reluctance to use savings was especially strong among families with incomes of $25,000 or more. Consumer willingness to use credit to make major purchases also declined, falling from 17 to 13 percent from 1979 to 1981. The sharpest decline in willingness to use debt came among middle income families ($15-25,000), with the proportion that was willing to use credit falling from 26 to 9 percent.

Among all families, the proportion that thought it was a "bad idea to save as much as possible during times of rapid inflation" fell from 23 percent in 1979 to 19 percent in 1981, while the proportion of all families that thought it was "better to borrow as much as possible in times of inflation" fell slightly from 16 percent in 1979 to 15 percent in 1981. Attitudes toward saving and debt varied significantly among income subgroups. Although high income families were most likely to express the opinion that it was better to borrow and a bad idea to save in times of rapid inflation, the proportion that viewed saving with disfavor fell from 35 percent in 1979 to 29 percent in 1981. At the same time, the proportion that favored borrowing fell slightly from 29 to 23 percent. Although the recent moderation in inflation is largely responsible for these shifts in attitudes, the appeal of advance buying as a means to cope with inflation, nonetheless, is still viewed with favor. In 1981, the proportion of all families that had a favorable opinion of buy-in-advance price rationales rose to 31 percent, from 25 percent in 1979.

TABLE B

CONSUMER REACTIONS TO INFLATION

	To Make Major Purchases Given Their Current Situation...				In Times of Rapid Inflation...					
	Okay to Use Savings		Okay to Use Credit		Bad Idea to Save		Better to Borrow		Favor Advance Buying	
	1979	1981	1979	1981	1979	1981	1979	1981	1979	1981
All families	35%	29%	17%	13%	23%	19%	16%	15%	25%	31%
Family Income										
Less than $14,999	33	22	14	14	17	16	9	12	26	31
$15,000-24,999	40	29	26	9	25	19	17	14	25	35
$25,000 or more	43	27	24	20	35	29	29	23	24	30

The questions were: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

"If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

"Generally speaking, in times of inflation do you think increasing your savings as much as possible is a good idea or a bad idea?"

"Some people say that in times of inflation it's better to borrow as much as possible while others think that people should avoid borrowing. What do you think?"

"Should people buy large things such as houses, cars, appliances, or furniture before they are really needed to avoid higher prices in the future?

Business Conditions

When asked whether they had heard of any recent changes in business conditions, favorable news items were mentioned only slightly more frequently in the third quarter 1981 (26 percent) than a year earlier (24 percent), while reports of unfavorable developments fell to 49 percent from 79 percent a year earlier. In comparison with last year, fewer respondents mentioned reports of spreading unemployment (33 to 17 percent), and fewer mentioned inflation (12 to 4 percent). The proportion of respondents that could not recall any recent changes in business conditions increased from one-third to one-half of all families during the past year. Consequently, the net improvement in the mix of news reaching consumers reflected fewer multiple mentions of unfavorable developments as well as an overall decline in awareness of any change, rather than a spreading awareness of positive developments.

Although the majority of all consumers continue to view the current business conditions as having worsened rather than improved during the past year, significant gains have been recorded since the 1980 low point. Among all families, 51 percent reported in the third quarter 1981 surveys that they thought business conditions had worsened during the past year, down from 53 percent in the second quarter, and 77 percent in the third quarter 1980 surveys. Similarly, the proportion that reported business conditions had improved rose from 15 percent in the third quarter 1980 to 31 percent in the third quarter 1981 during the past year.

Following the rapid improvement recorded from late 1979 into early 1980, the proportion that expected improvements in business conditions remained largely unchanged during the past year. In the third quarter 1981 surveys 34 percent held favorable, and 19 percent held unfavorable expectations for business conditions in the coming year. When asked to explain why they expected business conditions to improve or worsen, spontaneous favorable references to the Reagan administration and government economic policies were made by 25 percent of all respondents in the third quarter 1981 surveys, down from 27 percent in the second quarter, and 33 percent in the first quarter 1981 surveys. Although the initial rapid improvement in business expectations can be attributed to significant declines in unfavorable references to inflation, the continued maintenance of business expectations at these improved levels has been largely due to favorable evaluations of government economic policies.

Confidence in government economic policy to combat inflation and unemployment remained at much improved levels in the third quarter 1981 surveys. Among all families, 30 percent favorably rated government economic policy, up somewhat from the 28 percent recorded in the second quarter, but greatly above the 9 percent recorded a year earlier. Unfavorable evaluations of government policy increased to 21 percent in third quarter 1981 surveys from 18 percent in the second quarter, but remained significantly below the 44 percent recorded in the third quarter 1980. Among families with incomes of $20,000 or more, 33 percent rated government economic policy favorably in both the second and third quarter 1981 surveys.

Among all families, 36 percent reported that they expected good times financially in the economy as a whole during the next 12 months, down from 39 percent in the second quarter 1981 surveys, but significantly above the 26 percent recorded a year earlier. Long term business expectations have remained largely unchanged since the start of 1981, following significant improvement in 1980. Among all families, 28 percent expected good times financially in the economy as a whole in the next five years, down from 32 percent in the second quarter, but above the 21 percent recorded a year earlier.

Expected trends in unemployment did not worsen during the past year, but they did not improve -- more of the same is expected. Among all families, 37 percent reported that they expected unemployment to increase during the year ahead, unchanged from the second quarter 1981 survey, and down from 46 percent in the third quarter 1980 surveys. The proportion that expected unemployment to decline fell slightly from 17 to 16 percent during the past year. Those that expected unemployment to remain at the same high current levels showed the greatest increase, rising from 35 to 45 percent in the past year.

Interest rate expectations have followed an especially volatile path during the past year. Interest rates were expected to increase by 36 percent of all respondents in the third quarter 1981 surveys, similar to the year earlier reading. Since the start of 1981, the proportion that expected interest rates to decline fell from 41 to 28 percent, while the proportion that expected interest rates to remain at their same high levels rose from 23 to 32 percent. As with unemployment expectations, high interest rates are expected to prevail.

Buying Attitudes Weaken

Attitudes toward buying conditions for houses again neared record low levels in the third quarter 1981 surveys. Among all families, just 19 percent reported favorable buying conditions for houses, down from 39 percent one year earlier. Among families with incomes of $20,000 or more, favorable attitudes fell from 48 to 19 percent during the past year, while unfavorable buying attitudes rose from 46 to 75 percent. Among high income families, this represents a record low level. The overwhelming reason given by consumers for these negative views was high interest rates and tight credit conditions, mentioned by 76 percent of all families (86 percent among high income families). When interest rates temporarily declined in mid-1980, house buying attitudes grew rapidly, but were quickly reversed when interest rates again rose in late 1980 and 1981.

Unlike the pattern of improvement and subsequent decline in house buying attitudes, attitudes towards market conditions for cars and large household durables have remained at largely unchanged levels during the past year. Since the third quarter of 1980, the proportion that held favorable car buying attitudes in each quarter remained in the narrow range of 38 to 40 percent, while the proportion that held unfavorable attitudes varied from 47 to 52 percent. A similar flat pattern was also shown by high income families (with favorable ratings from 42 to 47 percent, and unfavorable from 42 to 49 percent). When asked to explain their views of buying conditions for vehicles, fewer respondents mentioned rebates or price discounts in 1981:3 compared with one quarter or one year earlier, and more respondents mentioned high interest rates. In the third quarter 1981 surveys, 27 percent of all families mentioned high interest rates and tight credit conditions, a new record level, exceeding the 25 percent recorded in both the first quarter 1981 surveys and the second quarter 1980 surveys.

Attitudes toward market conditions for household durables also remained largely unchanged during the past year. Among all families, favorable exceeded unfavorable attitudes by a margin of 51 to 34 percent in the third quarter 1981 surveys. During the past year, the proportion holding favorable attitudes varied in the narrow range of 47 to 51 percent, and among high income families the range was between 51 and 55 percent.

Two charts showing the buying conditions for autos with unit auto sales and buying conditions for housing and unit home sales are shown on page 12.

Summary Outlook

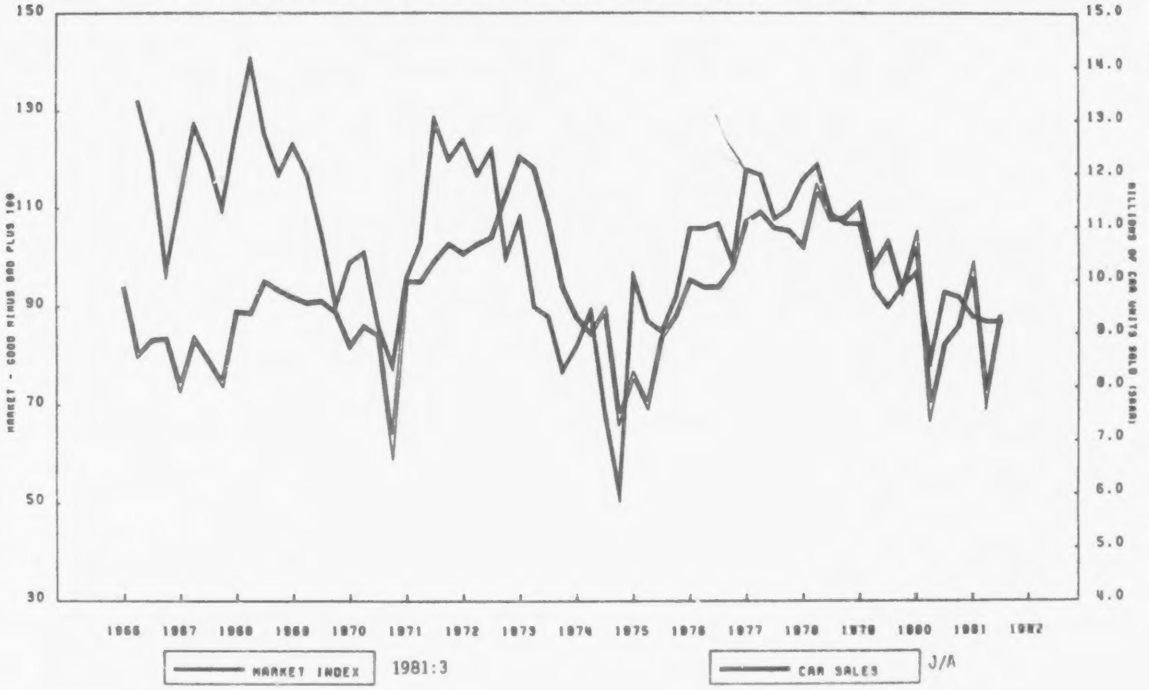
The third quarter 1981 surveys indicate that consumer attitudes and expectations have followed a divergent course during the past year. Lowered price expectations, a more optimistic outlook for the economy as a whole, and increased confidence in government economic policy stand in sharp contrast to widespread unfavorable buying attitudes, due to heightened concerns about high interest rates.

Growth in consumer sales during the balance of 1981 and early 1982 will continue to be slow and uneven. Sustained reductions in interest rates, as well as sustained increases in real disposable income are needed before large discretionary consumer purchases show robust growth. Saving rates can be expected to increase, both because of additions to financial savings and reserves, as well as because of increased debt repayments compared with debt incurrences.

* * * *

The third quarter 1981 survey contained 2,071 interviews, conducted between June 23 and September 20, 1981.

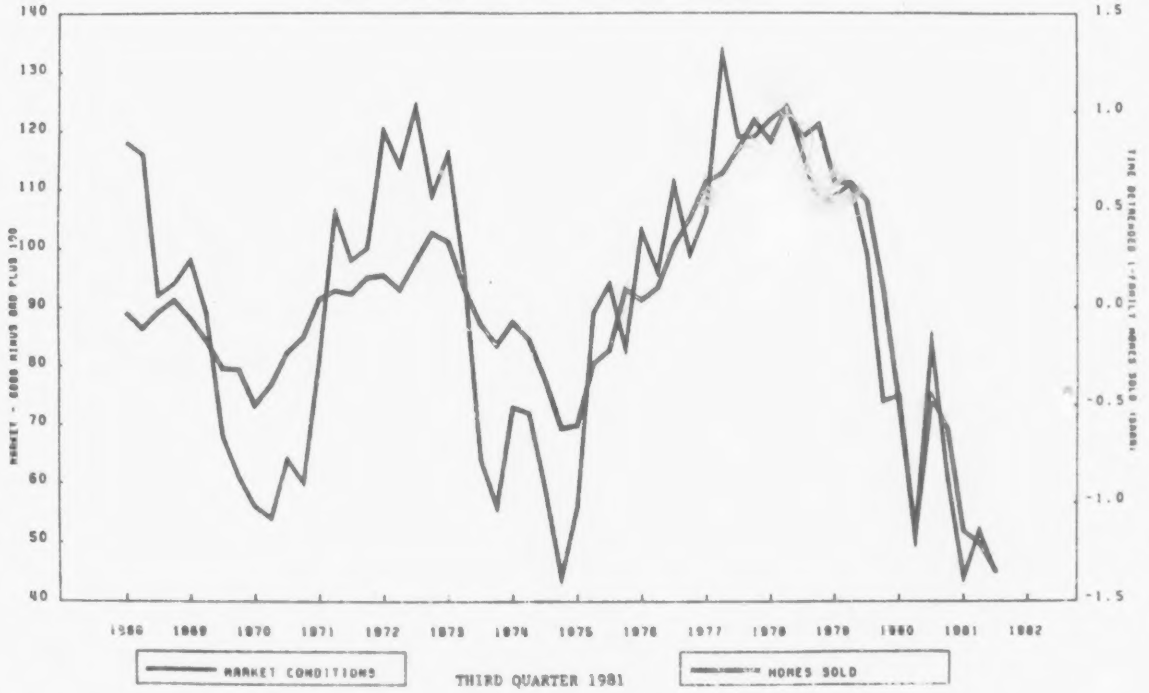
BUYING CONDITIONS FOR CARS AND TOTAL UNIT CAR SALES



1981:3

J/A

BUYING CONDITIONS FOR HOUSES AND
TOTAL SINGLE-FAMILY HOME SALES



THIRD QUARTER 1981